As filed with the Securities and Exchange Commission on February 1, 2022

File No. 001-41242

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

Amendment No. 1
to
FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

ZIMVIE INC.
(Exact name of registrant as specified in its charter)

Delaware	**87-2007795**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
10225 Westmoor Drive Westminster, CO	**80021**
(Address of principal executive offices)	**(Zip Code)**

(303)-443-7500
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	**Name of exchange on which each class is to be registered**
Common Stock, par value $0.01 per share	**Nasdaq Stock Market**

Securities to be registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

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

ZimVie Inc.

INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT
AND ITEMS OF FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1. None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item 1. ***Business.***

The information required by this item is contained under the sections of the information statement entitled "Information Statement Summary," "Risk Factors," "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Certain Relationships and Related Person Transactions," and "Where You Can Find More Information." Those sections are incorporated herein by reference.

Item 1A. ***Risk Factors***.

The information required by this item is contained under the sections of the information statement entitled "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements." Those sections are incorporated herein by reference.

Item 2. ***Financial Information***.

The information required by this item is contained under the sections of the information statement entitled "Summary Historical and Unaudited Pro Forma Combined Financial Information," "Capitalization," "Unaudited Pro Forma Combined Financial Information," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Those sections are incorporated herein by reference.

Item 3. ***Properties***.

The information required by this item is contained under the section of the information statement entitled "Business—Properties." That section is incorporated herein by reference.

Item 4. ***Security Ownership of Certain Beneficial Owners and Management***.

The information required by this item is contained under the section of the information statement entitled "Security Ownership of Certain Beneficial Owners and Management." That section is incorporated herein by reference.

Item 5. ***Directors and Executive Officers***.

The information required by this item is contained under the sections of the information statement entitled "Management" and "Board of Directors and Corporate Governance." Those sections are incorporated herein by reference.

Item 6. ***Executive Compensation***.

The information required by this item is contained under the section of the information statement entitled "Executive Compensation." That section is incorporated herein by reference.

Item 7. ***Certain Relationships and Related Transactions, and Director Independence***.

The information required by this item is contained under the sections of the information statement entitled "Management" and "Certain Relationships and Related Person Transactions." Those sections are incorporated herein by reference.

Item 8. ***Legal Proceedings***.

The information required by this item is contained under the section of the information statement entitled "Business—Legal Proceedings." That section is incorporated herein by reference.

Item 9. ***Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters***.

The information required by this item is contained under the sections of the information statement entitled "The Separation and Distribution," "Dividend Policy," "Capitalization," and "Description of Our Capital Stock." Those sections are incorporated herein by reference.

Item 10. ***Recent Sales of Unregistered Securities***.

The information required by this item is contained under the sections of the information statement entitled "Description of Material Indebtedness" and "Description of Our Capital Stock—Sale of Unregistered Securities." Those sections are incorporated herein by reference.

Item 11. ***Description of Registrant's Securities to be Registered***.

The information required by this item is contained under the sections of the information statement entitled "The Separation and Distribution," "Dividend Policy," and "Description of Our Capital Stock." Those sections are incorporated herein by reference.

Item 12. ***Indemnification of Directors and Officers***.

The information required by this item is contained under the section of the information statement entitled "Description of Our Capital Stock—Limitations on Liability, Indemnification of Officers and Directors and Insurance." That section is incorporated herein by reference.

Item 13. ***Financial Statements and Supplementary Data***.

The information required by this item is contained under the section of the information statement entitled "Index to Combined Financial Statements" and the financial statements referenced therein. That section is incorporated herein by reference.

Item 14. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***.

None.

Item 15. ***Financial Statements and Exhibits***.

(a) Financial Statements

The information required by this item is contained under the section of the information statement entitled "Index to Combined Financial Statements" and the financial statements referenced therein. That section is incorporated herein by reference.

(b) Exhibits

See below.

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1*	Form of Separation and Distribution Agreement by and between Zimmer Biomet Holdings, Inc. and ZimVie Inc.
3.1*	Form of Amended and Restated Certificate of Incorporation of ZimVie Inc.
3.2*	Form of Amended and Restated Bylaws of ZimVie Inc.
10.1*	Form of Tax Matters Agreement by and between Zimmer Biomet Holdings, Inc. and ZimVie Inc.
10.2*	Form of Employee Matters Agreement by and between Zimmer Biomet Holdings, Inc. and Zimmer Biomet Spine, Inc.
10.3*	Form of Transition Services Agreement by and between Zimmer Biomet Holdings, Inc. and ZimVie Inc.
10.4*	Form of Intellectual Property Matters Agreement by and between Zimmer Biomet Holdings, Inc. and ZimVie Inc.
10.5*	Form of Stockholder and Registration Rights Agreement by and between Zimmer Biomet Holdings, Inc. and ZimVie Inc.
10.6*	Form of Transition Manufacturing and Supply Agreement by and between Zimmer, Inc. and ZimVie Inc.
10.7*	Form of Reverse Transition Manufacturing and Supply Agreement by and between Zimmer, Inc. and ZimVie Inc.
10.8*	Form of Transitional Trademark License Agreement by and between Zimmer Biomet Holdings, Inc. and ZimVie Inc.
10.9*	Revised Offer Letter, dated as of January 31, 2021, by and between Zimmer Biomet Holdings, Inc. and Vafa Jamali
10.10*	Offer Letter, dated as of August 13, 2021, by and between Zimmer Biomet Holdings, Inc. and Richard J. Heppenstall
10.11*	Offer Letter, dated as of April 12, 2021, by and between Zimmer Biomet Holdings, Inc. and Rebecca Whitney
10.12*	Offer Letter, dated as of May 19, 2021, by and between Zimmer Biomet Holdings, Inc. and Indraneel Kanaglekar
10.13*	Offer Letter, dated as of June 15, 2021, by and between Zimmer Biomet Holdings, Inc. and Heather Kidwell
10.14*	Offer Letter, dated as of July 29, 2021, by and between Zimmer Biomet Holdings, Inc. and David Harmon
10.15	Form of ZimVie Inc. 2022 Stock Incentive Plan
10.16	Form of ZimVie Inc. Stock Plan for Non-Employee Directors
10.17	Form of ZimVie Inc. Deferred Compensation Plan for Non-Employee Directors
10.18	Credit Agreement, dated as of December 17, 2021, by and among ZimVie Inc., as borrower, JP Morgan Chase Bank, N.A., as administrative agent and syndication agent, and the lenders and issuing banks named therein.
21.1*	List of Subsidiaries
99.1	Information Statement of ZimVie Inc., preliminary and subject to completion, dated January 21, 2022
99.2*	Form of Notice Regarding the Internet Availability of Information Statement Materials

* Previously filed.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

ZIMVIE INC.

By: /s/ Vafa Jamali
Name: Vafa Jamali
Title: President and Chief Executive Officer

Date: February 1, 2022

Exhibit 10.15

ZIMVIE INC.
2022 STOCK INCENTIVE PLAN

1. General:

(a) *Establishment of Plan*. The ZimVie Inc. 2022 Stock Incentive Plan (the "Plan") is hereby established effective as of [•], 2022 (the "Effective Date").

(b) *Purpose*. The purpose of the Plan is to promote the success and enhance the value of the Company by linking the personal interests of service providers of the Company to those of the Company's stockholders and by providing persons who provide services to the Company with long-term incentives for outstanding performance. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of such persons who will be largely responsible for the long-term performance, growth and financial success of the Company.

2. Definitions: For purposes of this Plan:

(a) "Affiliate" means any entity in which the Issuer has, directly or indirectly, an ownership interest of at least 20%.

(b) "Associated Option" shall have the meaning set forth in Section 7.

(c) "Award" means an award of options, stock appreciation rights, performance shares, performance units, restricted stock, or restricted stock units granted under this Plan, including substitute or assumed awards granted under Section 19 and awards assumed as of the Effective Date under Section 20.

(d) "Board" or "Board of Directors" means the Board of Directors of the Issuer.

(e) "Change in Control" shall have the meaning set forth in Section 14(d).

(f) "Committee" shall have the meaning set forth in Section 4.

(g) "Current Portion" shall have the meaning set forth in Section 8(a).

(h) "Code" means the U.S. Internal Revenue Code of 1986, as amended.

(i) "Common Stock" means the Issuer's common stock.

(j) "Company" means the Issuer (ZimVie Inc.) and its Subsidiaries and Affiliates.

(k) "Deferred Portion" shall have the meaning set forth in Section 8(a).

(l) "Disability" means total disability as defined by the Company's group long-term disability insurance policy applicable to participants.

(m) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

(n) "Fair Market Value" means the average of the high and low sale prices of a share of Common Stock on the Nasdaq Stock Market on the date of measurement or on any date as determined by the Committee and, if there were no trades on such date, on the day on which a trade occurred next preceding such date.

(o) "Issuer" means ZimVie Inc, a Delaware corporation.

(p) "Performance Criteria" shall have the meaning set forth in Section 6(a).

(q) "Plan" means this ZimVie Inc. 2022 Stock Incentive Plan.

(r) "Prior Plan" means the Zimmer Biomet Holdings, Inc. 2009 Stock Incentive Plan, as amended.

(s) "Qualifying Termination" shall have the meaning set forth in Section 14(e).

(t) "Regulations" shall have the meaning set forth in Section 4(c).

(u) "Restriction Period" shall have the meaning set forth in Section 9(b)(2).

(v) "Retirement" shall mean termination of the employment of an employee with the Company on or after (i) the employee's 65th birthday or (ii) the employee's 55th birthday if the employee has completed 10 years of service with the Company. For purposes of this Section 2(v) and all other purposes of this Plan, Retirement shall also mean termination of employment of an employee with the Company for any reason (other than the employee's death, resignation, willful misconduct or activity deemed detrimental to the interests of the Company) where, on termination, the employee's attained age (expressed as a whole number) plus completed years of service (expressed as a whole number) plus one (1) equals at least 70 and the employee has completed 10 years of service with the Company and, where applicable, the employee has executed a general release, a covenant not to compete and/or a covenant not to solicit. For purposes of this Plan, an employee's service with the Company's former parent, Zimmer Biomet Holdings, Inc., and its subsidiaries and affiliates before [•], 2022 shall be included as service with the Company, provided that the employee was employed by Zimmer Biomet Holdings, Inc. (or a subsidiary or affiliate) on [•], 2022 and has been continuously employed by the Company since [•], 2022. For the avoidance of doubt, the Retirement provisions of the Plan do not apply to service providers who are not employees.

(w) "Section 409A of the Code" shall mean Section 409A of the Code and the regulations and guidance promulgated thereunder.

(x) "Subcommittee" shall have the meaning set forth in Section 4(b).

(y) "Subsidiary" shall mean any corporation which at the time qualifies as a subsidiary of the Issuer under the definition of "subsidiary corporation" in Section 424 of the Code.

(z) "Tax Date" shall have the meaning set forth in Section 13(a).

(aa) "Withholding Tax" shall have the meaning set forth in Section 13(c).

3. Shares of Common Stock Subject to the Plan:

(a) *Shares Authorized; Share Counting*. Subject to the other provisions of this Section 3, the total number of shares available for grant as Awards pursuant to this Plan shall be [•]. Solely for the purpose of applying the foregoing limitation and subject to the replenishment provisions of Section 3(b) below:

(1) each Award granted under this Plan shall reduce the number of shares available for grant by one share for every one share granted;

(2) if Awards are granted in tandem, so that only one of the Awards may actually be exercised, only the Award that results in the greater reduction in the number of shares available for grant shall result in a reduction of the shares so available, and the other Award shall be disregarded; and

(3) Substitute or assumed Awards made under Section 19 and Awards assumed as of the Effective Date under Section 20 shall not be included in applying these limitations.

(b) *Shares Again Available*.

(1) In the event all or any portion of an Award terminates or expires or is cancelled or forfeited during the term of this Plan without being exercised or fully vested or is settled for cash (collectively, "cancelled awards"), then the shares underlying such cancelled award shall be restored to the Plan on a one-for-one basis and may again be used for Awards under the Plan.

(2) Notwithstanding anything to the contrary contained herein:

(A) if a stock appreciation right included in an option in accordance with Section 7(b)(12) is exercised, the number of shares covered by the option or portion thereof which is surrendered on exercise of the stock appreciation right shall be considered issued pursuant to the Plan and shall count against the aggregate Plan limit described above, regardless of whether or not any shares are actually issued to the participant upon exercise of the stock appreciation right.

(c) *Individual Limitation*. No individual participant may be granted, in any single calendar year during the term of this Plan, stock options and/or stock appreciation rights to purchase more than 900,000 shares of Common Stock. No individual participant may be granted, in any single calendar year during the term of this Plan, restricted stock, restricted stock units, performance units and/or performance shares representing more than 450,000 shares of Common Stock. Substitute or assumed Awards made under Section 19 and Awards assumed as of the Effective Date under Section 20 shall not be included in applying these limitations.

(d) *Maximum Number of Incentive Stock Options.* The number of shares of Common Stock with respect to which incentive stock options may be granted shall not exceed 1,000,000 shares during the term of this Plan.

(e) *Adjustment*. The limitations under Sections 3(a), (c) and (d) are subject to adjustment in number and kind pursuant to Section 12.

(f) *Treasury or Market Purchased Shares.* Common Stock issued hereunder may be authorized and unissued shares or issued shares acquired by the Company on the market or otherwise.

(g) *Effect of Plans Operated by Acquired Companies*. If a company acquired by the Company or with which the Company combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the shares of Common Stock authorized for grant under the Plan. Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employees of the Company prior to such acquisition or combination.

4. Administration: The Plan shall be administered under the supervision of the Board of Directors, which may exercise its powers, to the extent herein provided, through the agency of its Compensation Committee (the "Committee"), which shall be appointed by the Board of Directors. In addition, Board of Directors or the Committee may delegate in writing any or all of its authority hereunder to one or more other committees or subcommittees, and the initial grants to be made at the time of the spin-off of the Issuer's stock from Zimmer Biomet Holdings, Inc. may be made by the Compensation and Management Development Committee of the Board of Directors of Zimmer Biomet Holdings, Inc.

(a) *Composition of Committee*. The Committee shall consist of not less than two (2) members of the Board who are intended to meet the definition of "non-employee directors" under the provisions of the Exchange Act or rules or regulations promulgated thereunder.

(b) *Delegation and Administration*. The Committee may delegate to one or more separate committees (any such committee a "Subcommittee") composed of one or more directors of the Issuer (who may, but need not be, members of the Committee) the ability to grant Awards with respect to participants who are not executive officers of the Company under the provisions of the Exchange Act or rules or regulations promulgated thereunder, and such actions shall be treated for all purposes as if taken by the Committee. Any action by any such Subcommittee within the scope of such delegation shall be deemed for all purposes to have been taken by the Committee and references in this Plan to the Committee shall include any such Subcommittee. The Committee may delegate the administration of the Plan to an officer or officers of the Issuer, and such administrator(s) may have the authority to execute and distribute agreements or other documents evidencing or relating to Awards granted by the Committee under this Plan, to maintain records relating to the grant, vesting, exercise, forfeiture or expiration of Awards, to process or oversee the issuance of shares of Common Stock upon the exercise, vesting and/or settlement of an Award, to interpret the terms of Awards and to take such other actions as the Committee may specify, provided that in no case shall any such administrator be authorized to grant Awards under the Plan. Any action by any such administrator within the scope of its delegation shall be deemed for all purposes to have been taken by the Committee and references in this Plan to the Committee shall include any such administrator, provided that the actions and interpretations of any such administrator shall be subject to review and approval, disapproval or modification by the Committee.

(c) *Regulations*. The Committee, from time to time, may adopt rules and regulations ("Regulations") for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the terms of the Plan, as the Committee shall deem appropriate. The interpretation and construction of any provision of the Plan by the Committee shall, unless otherwise determined by the Board of Directors, be final and conclusive.

(d) *Records and Actions*. The Committee shall maintain a written record of its proceedings. A majority of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the Committee.

5. Eligibility: Awards may be granted only to service providers of the Company, including Subsidiaries and Affiliates which become such after the Effective Date. Any director who is not an employee of the Company shall be ineligible to receive an Award under the Plan. The adoption of this Plan shall not be deemed to give any service providers any right to an Award, except to the extent and upon such terms and conditions as may be determined by the Committee.

6. Performance Criteria: Awards under Section 8 of this Plan shall be, and any other type of Award (other than incentive stock options) in the discretion of the Committee may be, contingent upon achievement of Performance Criteria.

(a) *Available Criteria*. For purposes of this Plan, the term "Performance Criteria" means a measure of performance relating to one or more specified criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit, division, line of business, project, geographical region, Affiliate or Subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Committee in the Award. Such specified criteria may include, but are not limited to, the following: net sales; revenue; assets; liabilities; gross profit; operating profit; net earnings; earnings per share; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or other items; profit margin (gross, operating or net); cash flow, net cash flow or free cash flow; acquisition integration synergies (measurable savings and efficiencies resulting from integration); acquisition integration milestone achievements; stock price performance; total shareholder return; costs or expenses; debt, net debt, borrowing levels, leverage ratios or credit ratings; market share or customer acquisition, expansion or retention; financial return ratios (including return on equity, return on assets or net

assets, return on capital or invested capital and return on operating profit); acquisitions, divestitures, joint ventures, strategic alliances, spin-offs, split-ups and similar transactions; reorganizations, recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings; or any other performance criteria determined by the Committee.

(b) *Adjustments*. The Committee may adjust any evaluation of performance under a Performance Criteria to exclude the effects of any of the following items or events that occurs or otherwise impacts reported results during a performance period: (1) asset write-downs, (2) litigation or claim judgments or settlements, (3) changes in tax law, accounting principles or other such laws or provisions affecting reported results, (4) accruals and expenses associated with reorganization, restructuring and/or transformation programs, (5) acquisition and integration expenses and purchase accounting, and (6) any other items or events disclosed in management's discussion and analysis of financial condition and results of operations appearing in the Issuer's annual report to stockholders for the applicable year. Notwithstanding satisfaction or completion of any Performance Criteria, to the extent specified at the time of grant of an Award, the number of shares, stock options, stock appreciation rights, performance shares, performance units, restricted stock, or restricted stock units or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Criteria may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine.

(c) *Establishment and Achievement of Targets*. The Committee shall establish the specific targets for the selected Performance Criteria. These targets may be set at a specific level or may be expressed as relative to the comparable measure at comparison companies or a defined index. In cases where Performance Criteria are established, the Committee shall determine the extent to which the criteria have been achieved and the corresponding level to which vesting requirements have been satisfied or other restrictions are to be removed from the Award or the extent to which a participant's right to receive an Award should lapse in cases where the Performance Criteria have not been met, and shall certify these determinations in writing. The Committee may provide for the determination of the attainment of such targets in installments where it deems appropriate.

7. Stock Options: Stock options under the Plan shall consist of incentive stock options under Section 422 of the Code or nonqualified stock options (options not intended to qualify as incentive stock options), as the Committee shall determine. In addition, the Committee may grant stock appreciation rights in conjunction with an option, as set forth in Section 7(b)(12).

Each option shall be subject to the following terms and conditions:

(a) *Grant of Options*. The Committee shall (1) select the employees of the Company to whom options may from time to time be granted, (2) determine whether incentive stock options or nonqualified stock options are to be granted, (3) determine the number of shares to be covered by each option so granted, (4) determine the terms and conditions (not inconsistent with the Plan) of any option granted hereunder (including but not limited to restrictions upon the options, conditions of their exercise (including as to nonqualified stock options, subject to any Performance Criteria), or restrictions on the shares of Common Stock issuable upon exercise thereof), (5) determine whether nonqualified stock options or incentive stock options granted under the Plan shall include stock appreciation rights and, if so, the Committee shall determine the terms and conditions thereof in accordance with Section 7(b)(12) hereof and (6) prescribe the form of the instruments necessary or advisable in the administration of options.

(b) *Terms and Conditions of Option*. Any option granted under the Plan shall be evidenced by a Stock Option Agreement entered into by the Company and the optionee, in such form as the Committee shall approve, which agreement shall be subject to the following terms and conditions and shall contain such additional terms and conditions not inconsistent with the Plan, and in the case of an incentive stock option not inconsistent with the provisions of the Code applicable to incentive stock options, as the Committee shall prescribe:

(1) *Number of Shares Subject to an Option*. The Stock Option Agreement shall specify the number of shares of Common Stock subject to the Agreement.

(2) *Option Price*. The purchase price per share of Common Stock purchasable under an option will be determined by the Committee but will be not less than the Fair Market Value of a share of Common Stock on the date of the grant of the option, except as provided in Sections 18, 19 or 20.

(3) *Option Period*. The period of each option shall be fixed by the Committee, but no option shall be exercisable after the expiration of ten years from the date the option is granted.

(4) *Condition*. Unless the Committee determines otherwise, each optionee, as a condition of the grant of an option, shall remain in the continuous service to the Company for at least one year from the date of the granting of such option, and no option shall be exercisable until after the completion of such one year period of service by the optionee.

(5) *Exercise of Option*. The Committee shall determine the time or times at which an option may be exercised in whole or in part during the option period. An option will be deemed exercised when the Company receives written or electronic notice of exercise (in accordance with the Stock Option Agreement) from the person entitled to exercise the option and payment in full of the purchase price and Tax-Related Items (as defined in Section 13 hereof). Payment in full may be made (i) by certified or bank check, (ii) by wire transfer, (iii) by payment through a broker under a cashless exercise program implemented by the Company in connection with the Plan, (iv) in shares of Common Stock owned by the optionee having a Fair Market Value at the date of exercise equal to such purchase price, provided that payment in shares of Common Stock will not be permitted unless at least 100 shares of Common Stock are required and delivered for such purpose, (v) in any combination of the foregoing, or (vi) by any other method that the Committee approves. At its discretion, the Committee may modify or suspend any method for the exercise of stock options, including any of the methods specified in the previous sentence. Delivery of shares for exercising an option shall be made either through the physical delivery of shares or through an appropriate certification or attestation of valid ownership. Shares of Common Stock used to exercise an option shall have been held by the optionee for the requisite period of time to avoid adverse accounting consequences to the Company with respect to the option. No shares shall be issued until full payment therefor has been made. An optionee shall have the rights of a stockholder only with respect to shares of stock that have been recorded on the Company's books on behalf of the optionee or for which certificates have been issued to the optionee.

Notwithstanding anything in the Plan to the contrary, the Committee may, in its sole discretion, allow the exercise of a lapsed grant if the Committee determines that: (i) the lapse was solely the result of the Company's inability to execute the exercise of an option Award due to conditions beyond the Company's control and (ii) the optionee made valid and reasonable efforts to exercise the Award, provided that in no event will the exercise of a lapsed grant be permitted if it would cause the grant to be subject to Section 409A of the Code or to be extended for purposes of Section 409A of the Code. In the event the Committee makes such a determination, the Company shall allow the exercise to occur as promptly as possible following its receipt of exercise instructions subsequent to such determination.

(6) *Nontransferability of Options*. An option or stock appreciation right granted under the Plan may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the optionee's lifetime, only by the optionee; provided that the Board may permit further transferability, on a general or specific basis, and may impose conditions and limitations on any permitted transferability.

Notwithstanding the foregoing, the Committee may set forth in a Stock Option Agreement at the time of grant or thereafter, that the options (other than incentive stock options) may be transferred to members of the optionee's immediate family and/or to one or more trusts solely for the benefit of such immediate family members. For this purpose, immediate family means the optionee's spouse, parents, children, stepchildren, grandchildren and legal dependents. Any transfer of options under this provision will not be effective until notice of such transfer is delivered to the Company.

(7) *Termination of Service Other than by Retirement or Death*. If an optionee shall cease to provide services to the Company for any reason (other than termination of service by reason of Retirement or death) after the optionee shall have been continuously providing services for one year after the granting of the option, or as otherwise determined by the Committee, the option shall be exercisable only to the extent that the optionee was otherwise entitled to exercise it at the time of such cessation of service with the Company, unless otherwise determined by the Committee. The option shall remain exercisable for three months after such cessation of service (or, if earlier, the end of the option period), unless the Committee determines otherwise. The Plan does not confer upon any optionee any right with respect to continuation of employment or service by the Company.

(8) *Retirement of Optionee*. If an optionee shall cease to be employed by the Company by reason of Retirement after the optionee shall have been continuously employed by the Company for a period of at least one year after the granting of the option, or as otherwise determined by the Committee, all remaining unexercised portion(s) of the option shall immediately vest and become exercisable by the optionee and shall remain exercisable for the remainder of the option period set forth therein, except that, in the case of an incentive stock option, the option shall remain exercisable for three months following Retirement (or, if earlier, the end of the option period).

(9) *Death of Optionee*. Except as otherwise provided in Section 7(b)(14), in the event of the optionee's death (i) while in the employ or service of the Company or (ii) after cessation of employment due to Retirement, the option shall be fully exercisable by the executors, administrators, legatees or distributees of the optionee's estate, as the case may be, at any time following such death until the option expires. In the event of the optionee's death after cessation of employment or service for any reason other than Retirement, the option shall be exercisable by the executors, administrators, legatees or distributees of the optionee's estate, as the case may be, at any time during the twelve month period following such death. Notwithstanding the foregoing, unless the Committee determines otherwise, in no event shall an option be exercisable unless the optionee shall have been continuously providing service to the Company for a period of at least one year after the option grant, and no option shall be exercisable after the expiration of the option period set forth in the Stock Option Agreement. In the event any option is exercised by the executors, administrators, legatees or distributees of the estate of a deceased optionee, the Company shall be under no obligation to issue stock thereunder unless and until the Company is satisfied that the person or persons exercising the option are the duly appointed legal representatives of the deceased optionee's estate or the proper legatees or distributees thereof.

(10) *No Deferral Feature. No option or stock appreciation right granted under this Plan shall include any feature for the deferral of compensation other than, in the case of an option, the deferral of recognition of income until the later of exercise or disposition of the option under Section 83 of the Code, or the time the stock acquired pursuant to the exercise of the option first becomes substantially vested (as defined in regulations interpreting Section 83 of the Code), or, in the case of a stock appreciation right, the deferral of recognition of income until the exercise of the stock appreciation right.*

(11) Reserved.

(12) *Stock Appreciation Rights*. In the case of any option granted under the Plan, either at the time of grant or by amendment of such option at any time after such grant, there may be included a stock appreciation right which shall be subject to such terms and conditions, not inconsistent with the Plan, as the Committee shall impose, including the following:

(A) A stock appreciation right shall be exercisable to the extent, and only to the extent, that the option in which it is included is at the time exercisable, and may be exercised within such period only at such time or times as may be determined by the Committee (and in no event after expiration of ten years from the date the option was granted);

(B) A stock appreciation right shall entitle the optionee (or any person entitled to act under the provisions of Section 7(b)(9)) to surrender unexercised the option in which the stock appreciation right is included (or any portion of such option) to the Company and to receive from the Company in exchange therefor that number of shares having an aggregate value equal to (or, in the discretion of the Committee, less than) the excess of the value of one share (provided such value does not exceed such multiple of the option price per share as may be specified by the Committee) over the option price per share specified in such option (as determined by the Committee in accordance with Section 7(b)(2)) times the number of shares called for by the option, or portion thereof, which is so surrendered. The Committee shall be entitled to cause the Company to settle its obligation, arising out of the exercise of a stock appreciation right, by the payment of cash equal to the aggregate value of the shares the Company would otherwise be obligated to deliver or partly by the payment of cash and partly by the delivery of shares. Any such election shall be made within 30 business days after the receipt by the Committee of written or electronic notice of the exercise of the stock appreciation right. The value of a share for this purpose shall be the Fair Market Value thereof on the last business day preceding the date of the election to exercise the stock appreciation right;

(C) No fractional shares shall be delivered under this Section 7(b)(12) but in lieu thereof a cash adjustment shall be made;

(D) If a stock appreciation right included in an option is exercised, such option shall be deemed to have been exercised to the extent of the number of shares called for by the option or portion thereof which is surrendered on exercise of the stock appreciation right and no new option may be granted covering such shares under this Plan; and

(E) If an option which includes a stock appreciation right is exercised, such stock appreciation right shall be deemed to have been canceled to the extent of the number of shares called for by the option or portion thereof is exercised and no new stock appreciation rights may be granted covering such shares under this Plan.

(13) *Incentive Stock Options*. Incentive stock options may only be granted to employees of the Issuer and its Subsidiaries and parent corporations, as defined in Section 424 of the Code. In the case of any incentive stock option granted under the Plan, the aggregate Fair Market Value of the shares of Common Stock (determined at the time of grant of each option) with respect to which incentive stock options granted under the Plan and any other plan of the Issuer or its parent or a Subsidiary which are exercisable for the first time by an employee during any calendar year shall not exceed $100,000 or such other amount as may be required by the Code.

(14) *Rights of Transferee*. Notwithstanding anything to the contrary herein, if an option has been transferred in accordance with Section 7(b)(6), the option shall be exercisable solely by the transferee. The option shall remain subject to the provisions of the Plan, including that it will be exercisable only to the extent that the optionee or optionee's estate would have been entitled to exercise it if the optionee had not transferred the option. In the event of the death of the optionee prior to the expiration of the right to exercise the transferred option, the period during which the option shall be exercisable will terminate on the date one year following the date of the optionee's death. In the event of the death of the transferee prior to the expiration of the right to exercise the option, the period during which the option shall be exercisable by the executors, administrators, legatees and distributees of the transferee's estate, as the case may be, will terminate on the date one year following the date of the transferee's death. In no event will the option be exercisable after the expiration of the option period set forth in the Stock Option Agreement. The option shall be subject to such other rules as the Committee shall determine.

(15) *No Reload*. Options shall not be granted under this Plan in consideration for and shall not be conditioned upon the delivery of shares of Common Stock in payment of the option price and/or tax withholding obligation under any other employee stock option.

8. Long-term Performance Awards: Long-term performance awards under the Plan shall consist of the conditional grant of a specified number of performance units or performance shares. The conditional grant of a performance unit to a participant will entitle the participant to receive a specified dollar value, variable under conditions specified in the Award, if the Performance Criteria specified in the Award are achieved and the other terms and conditions thereof are satisfied. The conditional grant of a performance share to a participant will entitle the participant to receive a specified number of shares of Common Stock, or the equivalent cash value, as determined by the Committee, if the Performance Criteria specified in the Award are achieved and the other terms and conditions thereof are satisfied. Each Award shall be subject to the following terms and conditions:

(a) *Grant of Awards*. The Committee shall (1) select the service providers of the Company to whom Awards under this Section 8 may from time to time be granted, (2) determine the number of performance units or performance shares covered by each Award, (3) determine the terms and conditions of each performance unit or performance share awarded and the award period and performance objectives with respect to each Award, (4) determine the extent to which a participant may elect to defer payment of a percentage of an Award (the "Deferred Portion") pursuant to the terms of a deferred compensation plan of the Company, (5) determine whether payment with respect to the portion of an Award which has not been deferred (the "Current Portion") and the payment with respect to the Deferred Portion of an Award shall be made entirely in cash, entirely in Common Stock or partially in cash and partially in Common Stock, (6) determine whether the Award is to be made independently of or in conjunction with a nonqualified stock option granted under the Plan, and (7) prescribe the form of the instruments necessary or advisable in the administration of the Awards.

(b) *Terms and Conditions of Award*. Any Award conditionally granting performance units or performance shares to a participant shall be evidenced by a Performance Unit Agreement or Performance Share Agreement, as applicable, entered into by the Company and the participant, in such form as the Committee shall approve, which agreement shall contain in substance the following terms and conditions applicable to the Award and such additional terms and conditions as the Committee shall prescribe:

(1) *Number and Value of Performance Units*. The Performance Unit Agreement shall specify the number of performance units conditionally granted to the participant. The Performance Unit Agreement shall specify the threshold, target and maximum dollar values of each performance unit and corresponding performance objectives as provided under Section 8(b)(5).

(2) *Number and Value of Performance Shares*. The Performance Share Agreement shall specify the number of performance shares conditionally granted to the participant. The Performance Share Agreement shall specify that each Performance Share will have a value equal to one (1) share of Common Stock.

(3) *Award Periods*. For each Award, the Committee shall designate an award period with a duration to be determined by the Committee in its discretion, but in no event less than three calendar years, within which specified performance objectives are to be attained. There may be several award periods in existence at any one time and the duration of performance objectives may differ from each other.

(4) *Condition*. Each participant, as a condition of the award of performance units or performance shares, shall remain in the continuous service of the Company for at least one year after the date of the making of such Award, and no Award shall be payable until after the completion of such one year of service by the participant, except as otherwise determined by the Committee.

(5) *Performance Objectives*. The Committee shall select the Performance Criteria and specific targets for each award period.

(6) *Determination and Payment of Performance Units or Performance Shares Earned*. As soon as practicable after the end of an award period, the Committee shall determine the extent to which Awards have been earned on the basis of actual performance in relation to the Performance Criteria as set forth in the Performance Unit Agreement or Performance Share Agreement and certify these results in writing. The Performance Unit Agreement or Performance Share Agreement shall specify that as soon as practicable after the end of each award period, the Committee shall determine whether the conditions of Sections 8(b)(4) and 8(b)(5) hereof have been met and, if so, shall ascertain the amount payable or shares which should be distributed to the participant in respect of the performance units or performance shares. As promptly as practicable after it has determined that an amount is payable or should be distributed in respect of an Award, and within 75 days after the end of the award period, the Committee shall cause the Current Portion of such Award to be paid or distributed to the participant or the participant's beneficiaries, as the case may be, in the Committee's discretion, either entirely in cash, entirely in Common Stock or partially in cash and partially in Common Stock. Payment of any Deferred Portion of an Award shall be determined by the terms of the Company deferred compensation plan under which the deferral was elected.

In making payment in the form of Common Stock hereunder, the cash equivalent of such Common Stock shall be determined by the Fair Market Value of the Common Stock on the day the Committee designates the performance units shall be payable.

(7) *Nontransferability of Awards and Designation of Beneficiaries*. No Award under this Section of the Plan shall be transferable by the participant other than by will or by the laws of descent and distribution, except that a participant may designate a beneficiary pursuant to the provisions hereof to the extent permitted by the Committee and valid under applicable law. If any participant or the participant's beneficiary shall attempt to assign the participant's rights under the Plan in violation of the provisions thereof, the Company's obligation to make any further payments to such participant or the participant's beneficiaries shall forthwith terminate.

To the extent permitted by the Committee and valid under applicable law, a participant may name one or more beneficiaries to receive any payment of an Award to which the participant may be entitled under the Plan in the event of the participant's death, on a form to be provided by the Committee. A participant may change the participant's beneficiary designation from time to time in the same manner. If no designated beneficiary is living on the date on which any payment becomes payable to a participant's beneficiary, or if no beneficiary has been specified by the participant, such payment will be payable to the participant's estate.

(8) *Retirement and Termination of Service Other Than by Death*. In the event of the Retirement prior to the end of an award period of a participant who has satisfied the one year employment requirement of Section 8(b)(4) with respect to an Award prior to Retirement, or as otherwise determined by the Committee, the participant, or his estate, shall be entitled to a payment of such Award at the end of the award period, pursuant to the terms of the Plan and the participant's Performance Unit Agreement or Performance Share Agreement, provided, however, that the participant shall be deemed to have earned that proportion (to the nearest whole unit or share) of the value of the performance units or performance shares granted to the participant under such Award as the number of months of the award period which have elapsed since the first day of the calendar year in which the Award was made to the end of the month in which the participant's Retirement occurs, bears to the total number of months in the award period, subject to the attainment of performance objectives associated with the Award as certified by the Committee. The participant's right to receive any remaining performance units or performance shares shall be canceled and forfeited.

Subject to Section 8(b)(6) hereof, the Performance Unit Agreement or Performance Share Agreement shall specify that the right to receive the performance units or performance shares granted to such participant shall be conditional and shall be canceled, forfeited and surrendered if the participant's continuous service with the Company shall terminate for any reason, other than the participant's death or Retirement, prior to the end of the award period, or as otherwise determined by the Committee.

(9) Reserved.

(10) *Death of Participant*. In the event of the death prior to the end of an award period of a participant who has satisfied the one year service requirement with respect to an Award under this Section 8 prior to the date of death, or as otherwise determined by the Committee, the participant's beneficiaries or estate, as the case may be, shall be entitled to a payment of such Award upon the end of the award period, pursuant to the terms of the Plan and the participant's Performance Unit Agreement or Performance Share Agreement, provided, however, that the participant shall be deemed to have earned that proportion (to the nearest whole unit or share) of the value of the performance units or performance shares granted to the participant under such Award as the number of months of the award period which have elapsed since the first day of the calendar year in which the Award was made to the end of the month in which the participant's death occurs, bears to the total number of months in the award period. The participant's right to receive any remaining performance units or performance shares shall be canceled and forfeited.

The Committee may, in its discretion, waive, in whole or in part, such cancellation and forfeiture of any performance units or performance shares.

9. Restricted Stock and Restricted Stock Units: An Award of restricted stock under the Plan shall consist of a grant of shares of Common Stock of the Issuer, the grant, issuance, retention and/or vesting of which is subject to the terms and conditions hereinafter provided. An Award of a restricted stock unit to a participant will entitle the participant to receive a specified number of shares of Common Stock or cash, as determined by the Committee, if the objectives specified in the Award, if any, are achieved and the other terms and conditions thereof are satisfied. Each Award shall be subject to the following terms and conditions:

(a) *Grant of Awards*: The Committee shall (i) select the service providers to whom restricted stock or restricted stock units may from time to time be granted, (ii) determine the number of shares to be covered by each Award granted, (iii) determine the terms and conditions (not inconsistent with the Plan) of any Award granted hereunder, and (iv) prescribe the form of the agreement, legend or other instrument necessary or advisable in the administration of Awards under the Plan.

(b) *Terms and Conditions of Awards*: Any Award granted under this Section 9 shall be evidenced by a Restricted Stock Agreement or Restricted Stock Unit Agreement entered into by the Issuer and the participant, in such form as the Committee shall approve, which agreement shall be subject to the following terms and conditions and shall contain such additional terms and conditions not inconsistent with the Plan as the Committee shall prescribe:

(1) *Number of Shares Subject to an Award:* The agreement shall specify the number of shares of Common Stock or the number of restricted stock units subject to the Award.

(2) *Restriction Period:* The period of restriction applicable to each Award (the "Restriction Period") shall be established by the Committee but may not be less than one year, unless the Committee determines otherwise. The Restriction Period applicable to each Award shall commence on the award date.

(3) *Condition:* Each participant, as a condition of the grant of an Award, shall remain in the continuous service to the Company for at least one year from the date of the granting of such Award, or as otherwise determined by the Committee, and the participant's right to any shares of restricted stock or restricted stock units covered by such an Award shall be forfeited if the participant does not provide continuous service to the Company for at least one year from the date of the granting of the Award, except as otherwise determined by the Committee.

(4) *Restriction Criteria:* The Committee shall establish the criteria upon which the Restriction Period shall be based. Restrictions shall be based upon either or both of (i) the continued service of the participant or (ii) the attainment of one or more Performance Criteria.

(c) *Terms and Conditions of Restrictions and Forfeitures:* The restricted stock or restricted stock units awarded pursuant to the Plan shall be subject to the following restrictions and conditions:

(1) During the Restriction Period, the participant will not be permitted to sell, transfer, pledge or assign the Award made under this Section 9.

(2) Except as provided in Section 9(c)(1), or as the Committee may otherwise determine, a participant holding restricted stock shall have all of the rights of a stockholder of the Issuer, including the right to vote the shares and receive dividends and other distributions, provided that cash dividends paid with respect to restricted stock that is subject to the satisfaction of targets for Performance Criteria shall be retained by the Company during the Restriction Period and shall be subject to the same restrictions as the underlying restricted stock. In addition, distributions in the form of stock shall be subject to the same restrictions as the underlying restricted stock. A participant holding restricted stock units shall have none of the rights of a stockholder of the Issuer during the Restriction Period.

(3) Unless the Committee shall expressly otherwise provide in the agreement relating to an Award made under this Section 9, in the event of a participant's Retirement or death prior to the end of the Restriction Period for a participant who has satisfied the one year service requirement of Section 9(b)(3), all time-based restrictions imposed under such Award shall immediately lapse, but such Award shall continue to be subject to the satisfaction of any targets for Performance Criteria set forth in the agreement relating to such Award.

(4) Unless the Committee shall expressly otherwise provide in the agreement relating to an Award made under this Section 9, if during the Restriction Period a participant terminates service with the Company for any reason other than Retirement or death, the shares covered by a restricted stock Award that are not already vested shall be canceled and forfeited and will be deemed to be reacquired by the Issuer and any restricted stock units still subject to restriction shall be forfeited by the participant.

(5) In cases of special circumstances as determined by the Committee, the Committee may, in its sole discretion when it finds that such an action would be in the best interests of the Company, accelerate or waive in whole or in part any or all remaining time-based restrictions with respect to all or part of a participant's restricted stock or restricted stock units.

(6) In the event that the participant fails promptly to pay or make satisfactory arrangements as to the Tax-Related Items as provided in Section 13, (i) all shares of restricted stock still subject to restriction shall be forfeited by the participant and will be deemed to be reacquired by the Company; and (ii) all restricted stock units still subject to restriction shall be forfeited by the participant.

(7) A participant may, at any time prior to the expiration of the Restriction Period, waive all rights to receive all or some of the shares covered by or corresponding to an Award by delivering to the Company a written or electronic notice of such waiver.

(8) Notwithstanding the other provisions of this Section 9, the Committee may adopt rules which would permit a gift by a participant holding restricted stock or the benefits of a restricted stock unit, to members of the participant's immediate family (spouse, parents, children, stepchildren, grandchildren or legal dependents) or to a trust whose beneficiary or beneficiaries shall be either such a person or persons or the participant.

(9) Any attempt to dispose of an Award under this Section 9 in a manner contrary to the restrictions shall be ineffective.

10. Forfeiture of Awards; Recapture of Benefits:

(a) *Breach of Restrictive Covenants; Violation of Code or Policies*. The Committee may, in its discretion, provide in an agreement evidencing any Award that (1) in the event that the participant engages, within a specified period after termination of service, in certain activity specified by the Committee that is deemed detrimental to the interests of the Company (including, but not limited to, the breach of any non-solicitation and/or non-compete agreements with the Company), and/or (2) in the event that the participant engages in conduct (which may include a failure to act) that is deemed detrimental to the interests of the Company (including, but not limited to, that which results in a violation of the Company's Code of Business Conduct and Ethics, policies, procedures or other standards), the Committee may, in its discretion, require the participant to forfeit his or her right to any unvested portion of the Award and, to the extent that any portion of the Award has previously vested, the Committee may require the participant to return to the Company the shares of Common Stock covered by the Award or any cash proceeds the participant received upon the sale of such shares or, in the case of stock appreciation rights, performance units or restricted stock units that are settled in cash, an amount of cash, equal to the amount of any gain realized upon the exercise of or lapsing of restrictions on any Award that occurred within a specified time period.

(b) *Other Bases for Forfeiture, Recovery or Other Actions*. Awards and any compensation or benefits associated therewith shall be subject to repayment or forfeiture as may be required to comply with (i) any applicable listing standards of a national securities exchange adopted in accordance with Section 10D of the Exchange Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder; (ii) the securities, exchange control and other laws of any other jurisdiction; and (iii) any policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to a participant. Any agreement evidencing an Award may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

11. Determination of Breach of Conditions: The determination of the Committee as to whether an event has occurred resulting in a forfeiture or a termination of an Award or any reduction of the Company's obligations in accordance with the provisions of the Plan shall be conclusive.

12. Adjustment of and Changes in the Common Stock:

(a) *Effect of Outstanding Awards*. The existence of outstanding Awards shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, exchanges, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company or any issuance of Common Stock or other securities or subscription rights thereto, or any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. Further, except as expressly provided herein or by the Committee, (i) the issuance by the Company of Common Stock or any class of securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations to the Company convertible into such shares or other securities, (ii) the payment of a dividend in property other than shares of Common Stock, or (iii) the occurrence of any similar transaction, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to stock options or other Awards theretofore granted or the purchase price per share, unless the Committee shall determine, in its sole discretion, that an adjustment is necessary or appropriate.

(b) *Adjustments*. If the outstanding Common Stock or other securities of the Company, or both, for which an Award is then exercisable or as to which an Award is to be settled shall at any time be changed or exchanged by declaration of a stock dividend, stock split, combination of shares, extraordinary dividend of cash and/or assets, recapitalization, reorganization, corporate separation or division (including, but not limited to, a split-up, spin-off, split-off or distribution to Company stockholders other than a normal cash dividend) or any similar event affecting the Common Stock or other securities of the Company, the Committee shall appropriately and equitably adjust the number and kind of shares or other securities which are subject to this Plan or subject to any Awards theretofore granted, and the exercise or settlement prices of such Awards, so as to maintain the proportionate number of shares of Common Stock or other securities without changing the aggregate exercise or settlement price.

(c) *Fractional Shares*. In the event any adjustment in stock options or stock appreciation rights pursuant to this Section 12 would result in a fraction of a share, the Company reserves the right to round up or down to the nearest whole share.

(d) *Assumption of Awards*. Any other provision hereof to the contrary notwithstanding (except for Section 12(a)), in the event the Company is a party to a merger or other reorganization, outstanding Awards shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the assumption of outstanding Awards by the surviving corporation or its parent, for their continuation by the Company (if it is the surviving corporation), for accelerated vesting and accelerated expiration, or for settlement in cash.

13. Taxes:

(a) Each participant shall, no later than the Tax Date (as defined below), pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Tax-Related Items (as defined below) with respect to an Award, and the Company shall, to the extent permitted by law, have the right to deduct such amount from any payment of any kind otherwise due to the participant. Specifically, the Committee, in its sole discretion and pursuant to such procedures as it may specify from time to time, may require or permit a participant to satisfy any tax withholding obligations with respect to such Tax-Related Items, in whole or in part, by (without limitation) (i) paying cash, (ii) using proceeds from the sale of shares of Common Stock delivered pursuant to the exercise or settlement of the Award, (iii) electing to have the Company withhold otherwise deliverable cash or shares of Common Stock having a fair market value equal to the amount required to be withheld under applicable tax laws, subject to applicable accounting guidance, or (iv) delivering to the Company already-owned shares of Common Stock having a Fair Market Value equal to the amount required to be withheld under applicable tax laws, subject to applicable accounting guidance. The Fair Market Value of the Common Stock to be withheld or delivered will be determined based on such methodology that the Company deems to be reasonable and in accordance with applicable law.

(b) The Company shall also have the right to retain or sell without notice, or to demand surrender of, shares of Common Stock in value sufficient to cover the amount of any Tax-Related Items, and to make payment (or to reimburse itself for payment made) to the appropriate taxing authority of an amount in cash equal to the amount of such Tax-Related Items, remitting any balance to the participant. For purposes of this paragraph, the value of shares of Common Stock so retained or surrendered shall be the average of the high and low sales prices per share on the Nasdaq Stock Market on the date that the amount of the Tax-Related Items is to be determined (the "Tax Date") and the value of shares of Common Stock so sold shall be the actual net sales price per share (after deduction of commissions) received by the Company.

(c) Notwithstanding the foregoing, if the stock options have been transferred, the optionee shall provide the Company with funds sufficient to pay such Tax-Related Items. If such optionee does not satisfy the optionee's tax payment obligation and the stock options have been transferred, the transferee may provide the funds sufficient to enable the Company to pay such taxes. However, if the stock options have been transferred, the Company shall have no right to retain or sell without notice, or to demand surrender from the transferee of, shares of Common Stock in order to pay such Tax-Related Items.

(d) The term "Tax-Related Items" means the required (i) U.S. federal, state and local withholding amount applicable to the participant, including federal, state and local income taxes, Federal Insurance Contribution Act taxes, social insurance contributions, payroll tax, payment on account and any other governmental impost or levy, and (ii) any non-U.S. income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items that are applicable (or deemed applicable) to the participant as a result of participation in the Plan.

14. Change in Control:

(a) Unless the Committee shall otherwise expressly provide in the agreement relating to an Award, in the event a participant's service with the Company terminates pursuant to a Qualifying Termination (as defined below) during the three (3) year period following a Change in Control of the Issuer (as defined below):

(1) all outstanding options shall become immediately fully vested and exercisable (to the extent not yet vested and exercisable as of the date of the Qualifying Termination); and

(2) all time-based restrictions imposed under all outstanding Awards of restricted stock and restricted stock units shall immediately lapse.

(b) Unless the Committee shall otherwise expressly provide in the agreement relating to an Award, if the Company undergoes a Change in Control during the award period applicable to an Award that is subject to the satisfaction of any targets for Performance Criteria, the number of shares or units deemed earned shall be the greater of (i) the target number of shares or units specified in the participant's Award agreement or (ii) the number of shares or units that would have been earned by applying the Performance Criteria specified in the Award agreement to the Company's actual performance from the beginning of the applicable award period to the date of the Change in Control.

(c) In addition, in the event of a Change in Control of the Issuer, the Committee may:

(1) determine that outstanding options shall be assumed by, or replaced with comparable options by, the surviving corporation (or a parent or subsidiary of the surviving corporation) and that outstanding Awards shall be converted to similar awards of the surviving corporation (or a parent or subsidiary of the surviving corporation), or

(2) take such other actions with respect to outstanding options and other Awards as the Committee deems appropriate; provided, however, that such actions are compliant with Section 409A of the Code, to the extent applicable.

(d) For purposes of this Plan, a Change in Control shall be deemed to have occurred on the earliest of the following dates:

(1) The date any person (as defined in Section 14(d)(3) of the Exchange Act) shall have become the direct or indirect beneficial owner of twenty percent (20%) or more of the then outstanding common shares of the Issuer;

(2) The date a merger or consolidation of the Issuer with any other corporation is consummated, other than (i) a merger or consolidation which would result in the voting securities of the Issuer outstanding immediately prior thereto continuing to represent at least 75% of the combined voting power of the voting securities of the Issuer or the surviving entity outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Issuer in which no Person acquires more than 50% of the combined voting power of the Issuer's then outstanding securities;

(3) The date the stockholders of the Issuer approve a plan of complete liquidation of the Issuer or an agreement for the sale or disposition by the Issuer of all or substantially all of the Issuer's assets; or

(4) The date there shall have been a change in a majority of the Board of Directors within a two (2) year period beginning after the Effective Date, unless the nomination for election by the Issuer's stockholders of each new director was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the two (2) year period.

(e) For purposes of this Plan provision, a Qualifying Termination shall be deemed to have occurred under the following circumstances:

(1) A Company-initiated termination for reasons other than the participant's death, Disability, resignation without good cause, willful misconduct or activity deemed detrimental to the interests of the Company, or

(2) Only in the case of a participant who is an employee, a resignation by the employee with good cause, which includes (i) a substantial adverse alteration in the nature or status of the employee's responsibilities, (ii) a reduction in the employee's base salary or levels of entitlement or participation under any incentive plan, award program or employee benefit program without the substitution or implementation of an alternative arrangement of substantially equal value, or (iii) the Company requiring the employee to relocate to a work location more than fifty (50) miles from the employee's work location prior to the Change in Control; provided that good cause shall exist only if (x) the employee provides written notice of the existence of the condition that would give rise to good cause within 90 days after the initial existence of such condition, (y) the Company fails to correct any such breach within 30 days after receipt of such notice and (z) the employee resigns from his employment effective within 30 days after the expiration of such 30-day period;

provided that in a termination under (1) or (2) above, as applicable, the participant executes a separation agreement general release of claims (which may include a non-solicitation and/or non-compete agreement as determined by the Company) within the time required by the Company (but in no event later than 60 days following termination).

15. Amendment of the Plan: The Board of Directors may amend or suspend this Plan at any time and from time to time; provided, however, that, except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding stock options or stock appreciation rights or cancel outstanding stock options or stock appreciation rights in exchange for cash, other Awards or stock options or stock appreciation rights with an exercise price that is less than the exercise price of the original stock options or stock appreciation rights without stockholder approval; and provided, further, that the Board of Directors shall submit for stockholder approval any amendment (other than an amendment pursuant to the adjustment provisions of Section 12) required to be submitted for stockholder approval by law, regulation or applicable stock exchange requirements or that otherwise would:

(a) increase the limitations in Section 3;

(b) reduce the price at which stock options may be granted to below Fair Market Value on the date of grant;

(c) extend the term of this Plan; or

(d) change the class of persons eligible to be participants.

In addition, no such amendment or alteration shall be made which would impair the rights of any participant, without such participant's consent, under any Award theretofore granted, provided that no such consent shall be required with respect to any amendment or alteration if the Committee determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award, or that any such diminishment has been adequately compensated.

16. Miscellaneous:

(a) By accepting any benefits under the Plan, each participant and each person claiming under or through such participant shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken or to be taken or made under the Plan by the Company, the Board, the Committee or any other committee appointed by the Board.

(b) No participant or any person claiming under or through him shall have any right or interest, whether vested or otherwise, in the Plan or in any Award, contingent or otherwise, unless and until all of the terms, conditions and provisions of the Plan and the Agreement that affect such participant or such other person shall have been complied with.

(c) Neither the adoption of the Plan nor its operation shall in any way affect the rights and powers of the Company to dismiss or discharge any employee at any time.

17. Term of the Plan: The Plan shall expire on [•], 2032, unless suspended or discontinued earlier by action of the Board of Directors. The expiration of the Plan, however, shall not affect the rights of participants under Awards theretofore granted to them, and all Awards shall continue in force and operation after termination of the Plan except as they may lapse or be terminated by their own terms and conditions.

18. Participants Based Outside of the United States: Notwithstanding any provision of the Plan to the contrary, in order to foster and promote achievement of the purposes of the Plan or to comply with provisions of laws in other countries in which the Company operates or has service providers, the Committee, in its sole discretion, shall have the power and authority to (i) determine which individuals outside the United States are eligible to participate in the Plan, (ii) modify the terms and conditions of Awards granted to participants who reside outside the United States, (iii) establish subplans, modified option exercise procedures and other terms and procedures to the extent such actions may be necessary or advisable, and (iv) take any action before or after an Award is granted that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals, as determined by the Committee. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules, procedures and subplans with provisions that limit or modify rights on eligibility to receive an Award under the Plan or on death, Disability, Retirement or other termination of service, available methods of exercise or settlement of an Award, payment of income, social insurance contributions and payroll taxes, the shifting of employer tax or social insurance contribution liability to the participant, the withholding procedures and handling of any share certificates or other indicia of ownership. Notwithstanding the foregoing, the Committee may not take any actions hereunder and no Awards shall be granted that would violate applicable laws.

19. Grants in Connection with Corporate Transactions and Otherwise: Nothing contained in this Plan shall be construed to (i) limit the right of the Committee to assume the equity-based awards or make substitute Awards under this Plan to an employee of another corporation who becomes an employee of the Company by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company in substitution for an award granted by such corporation, or (ii) limit the right of the Company to grant options or make other awards outside of this Plan. The terms and conditions of any substitute or assumed Awards may vary from the terms and conditions required by the Plan. Any substitute or assumed Awards that are made pursuant to this Section 19 shall not count against the limitations provided under Section 3.

20. Awards Assumed as of the Effective Date:

(a) On the Effective Date, the Issuer will assume from Zimmer Biomet Holdings, Inc. all Awards granted under the Prior Plan that are outstanding immediately before the Effective Date with respect to the Company's employees (the "Prior Awards"). Except as described below, the terms of the Prior Plan and the Prior Award agreements in effect pursuant to the Prior Plan will continue to govern the Prior Awards. However, as a result of the assumption, the Prior Awards will be converted into Awards with respect to the Common Stock of the Issuer, and the number of shares, the exercise price (as applicable) and other terms will be adjusted to reflect the spin-off of the Issuer from Zimmer Biomet Holdings, Inc.. On and after the spin-off date, references in the Prior Award agreements to Zimmer Biomet Holdings, Inc. will mean the Issuer. Any shares of the Issuer's Common Stock that are subject to issuance pursuant to the Prior Awards will be issued under this Plan but will not be counted against the limitations provided under Section 3. The Committee will administer the Prior Awards, as converted into Common Stock of the Issuer.

(b) As an alternative, notwithstanding the above, the Committee may determine, as a result of certain laws, rules or regulations in countries outside the United States, not to have the Issuer assume certain Prior Awards.

21. Governing Law: The validity, construction, interpretation and effect of the Plan and agreements issued under the Plan shall be governed and construed by and determined in accordance with the laws of the State of Colorado, U.S.A. without giving effect to the conflict of laws provisions thereof. The Committee may provide that any dispute as to any Award shall be presented and determined in such forum as the Committee may specify, including through binding arbitration.

22. Unfunded Plan: Insofar as it provides for Awards, the Plan shall be unfunded. Although bookkeeping accounts may be established with respect to participants who are granted Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate or earmark any cash or other property which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation or earmarking, nor shall the Company or the Committee be deemed to be a trustee of stock or cash to be awarded under the Plan.

23. Compliance with Other Laws and Regulations: This Plan, the grant and exercise of Awards hereunder, and the obligation of the Issuer to sell, issue or deliver shares of Common Stock under such Awards, shall be subject to all applicable federal, state and local laws, rules and regulations and to such approvals by any governmental or regulatory agency as may be required. The Issuer shall not be required to register in a participant's name or deliver any shares of Common Stock prior to the completion of any registration or qualification of such shares under any federal, state or local law or any ruling or regulation of any government body which the Committee shall determine to be necessary or advisable. To the extent the Issuer is unable to or the Committee deems it infeasible to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Issuer's counsel to be necessary to the lawful issuance and sale of any shares of Common Stock hereunder, the Issuer shall be relieved of any liability with respect to the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. No stock option shall be exercisable and no shares of Common Stock shall be issued and/or transferable under any other Award unless a registration statement with respect to the shares underlying such stock option is effective and current or the Issuer has determined that such registration is unnecessary.

24. Liability of Issuer: The Issuer shall not be liable to a participant or other persons as to (a) the non-issuance or sale of shares of Common Stock as to which the Issuer has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Issuer's counsel to be necessary to the lawful issuance and sale of any shares hereunder; and (b) any tax consequence expected, but not realized, by any participant or other person due to the receipt, exercise or settlement of any Award granted hereunder.

25. Compliance with Section 409A of the Code: Notwithstanding any provision of the Plan to the contrary, to the extent Section 409A of the Code is or is likely to become applicable to the participant, the intent of the Company is that payments and benefits under this Plan shall be exempt from, or shall comply with, Section 409A of the Code to the extent subject thereto, and accordingly, to the maximum extent permitted, this Plan and any Awards granted under the Plan shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained in this Plan to the contrary, a participant shall not be considered to have terminated employment with the Company for purposes of any payments under this Plan which are subject to Section 409A of the Code until the participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate and distinct payment for purposes of Section 409A of the Code. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Plan during the six (6) month period immediately following the participant's separation from service shall instead be paid on the first business day after the date that is six (6) months following the participant's separation from service (or, if earlier, the participant's date of death). The Company makes no representation that any or all of the payments described in this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A from applying to any such payment. Participants shall be solely responsible for the payment of any taxes, penalties, interest or other expenses incurred by them on account of non-compliance with Section 409A. In the event any Award constitutes or provides for a deferral of compensation within the meaning of Section 409A of the Code, the Award shall comply in all respects with the applicable requirements of Section 409A of the Code; the agreement evidencing the Award shall include all provisions required for the Award to comply with the applicable requirements of Section 409A of the Code; and those provisions of such agreement shall be deemed to constitute provisions of the Plan.

ZIMVIE, INC.
STOCK PLAN FOR NON-EMPLOYEE DIRECTORS
(Effective as of [•], 2022)

1. Purpose.

The purpose of the ZimVie Inc. Stock Plan for Non-Employee Directors (the "Plan") is to secure for ZimVie Inc. (the "Company") and its stockholders the benefits of the incentive inherent in increased Common Stock ownership by the members of the Board of Directors of the Company (the "Board") who are Eligible Directors as defined in the Plan.

2. Administration.

The Plan shall be administered under the supervision of the Board. The Board shall have all the powers vested in it by the terms of the Plan, such powers to include authority (within the limitations described herein) to prescribe the form of the agreement embodying awards of stock options ("Options"), restricted stock ("Restricted Stock") and restricted stock units ("Restricted Stock Units") made under the Plan (Options, Restricted Stock and Restricted Stock Units, in the aggregate, to be "Awards"). The Board shall, subject to the provisions of the Plan, grant Awards under the Plan and shall have the power to construe the Plan, to determine all questions arising thereunder and to adopt and amend such rules and regulations for the administration of the Plan as it may deem desirable. Any decision of the Board in the administration of the Plan, as described herein, shall be final and conclusive. No member of the Board shall be liable for anything done or omitted to be done by such member or by any other member of the Board in connection with the Plan, except for such member's own willful misconduct or as expressly provided by statute.

3. Amount of Stock; Individual Limitation.

The stock which may be issued and sold under the Plan will be the common stock (par value $.01 per share) of the Company ("Common Stock"), of a total number not exceeding 400,000 shares, subject to adjustment as provided in Section 7 below. The stock to be issued may be either authorized and unissued shares or issued shares acquired by the Company or its subsidiaries. In the event that Awards granted under the Plan terminate or expire (without being exercised, in the case of Options) or are cancelled, forfeited, surrendered or exchanged for awards of another person in connection with a recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares or other similar event (collectively, "lapsed Awards"), new Awards may be granted covering the shares not issued under such lapsed Awards.

Notwithstanding any provision to the contrary in the Plan or in any policy of the Company regarding compensation payable to a Non-Employee Director, the sum of the grant date fair value of all awards payable in shares of Common Stock and the maximum cash value of any other award granted under the Plan to an individual as compensation for services as a Non-Employee Director, together with cash compensation paid to such director in the form of Board and committee retainer, meeting or similar fees, during any calendar year shall not exceed USD $700,000. For avoidance of doubt, compensation will count towards this limit for the calendar year in which it was granted or earned, and not later when distributed, in the event it is deferred. The foregoing limit may not be increased without the approval of the stockholders of the Company.

4. Eligible Directors.

The members of the Board who are eligible to participate in the Plan ("Eligible Directors") are persons who serve as directors of the Company and:

(a) who are not current employees of the Company and

(b) who are not eligible to receive options on Company stock by participation as an employee in another plan sponsored by the Company or under a contractual arrangement with the Company.

Eligible Directors who have received an Award under the Plan shall be participants in the Plan (each, a "Participant").

5. Terms and Conditions of Options.

Each Option granted under the Plan shall be evidenced by an agreement in such form as the Board shall prescribe from time to time in accordance with the Plan ("Option Agreement") and shall comply with the following terms and conditions:

(a) The Option exercise price shall be the fair market value of the Common Stock shares subject to such Option on the date the Option is granted, which shall be the average of the high and the low sales prices of a share of Common Stock on the Nasdaq Stock Market on the date of grant or, if there were no trades on such date, on the day on which a trade occurred next preceding such date (the "Fair Market Value").

(b) Each year, as of the date of the annual meeting of the stockholders of the Company ("Annual Meeting"), and at such other dates as the Board deems appropriate, the Board may award Options to purchase shares of Common Stock to Eligible Directors who have been elected or reelected or who are continuing as members of the Board.

(c) No Option granted under the Plan shall be transferable by the optionee other than by will or by the laws of descent and distribution, and such Option shall be exercisable, during the optionee's lifetime, only by the optionee. Notwithstanding the foregoing, the Board may set forth in an Option Agreement, at the time of grant or thereafter, that the Options may be transferred to members of the optionee's immediate family, to trusts solely for the benefit of such immediate family members and to partnerships in which such family members and/or trusts are the only partners. For this purpose, immediate family means the optionee's spouse, parents, children, stepchildren, grandchildren and legal dependants. Any transfer of Options made under this provision will not be effective until notice of such transfer is delivered to the Company.

(d) No Option or any part of an Option shall be exercisable:

(i) after the expiration of ten years from the date the Option was granted,

(ii) unless written notice of the exercise is delivered to the Company specifying the number of shares to be purchased and payment in full is made for the shares of Common Stock being acquired thereunder at the time of exercise, such payment shall be made in such form or manner that the Board at its discretion may from time to time designate and that may include, without limitation, payment:

(A) in United States dollars by certified check, or bank draft, or

(B) by tendering to the Company Common Stock shares owned by the person exercising the Option and having a Fair Market Value equal to the cash exercise price applicable to such Option (shares of Common Stock used to exercise an option shall have been held by the optionee for the requisite period of time to avoid adverse accounting consequences to the Company with respect to the Option) or

(C) by a combination of United States dollars and Common Stock shares as aforesaid, and

(iii) unless the person exercising the Option has been, at all times during the period beginning with the date of grant of the Option and ending on the date of such exercise, an Eligible Director of the Company, except that:

(A) if such a person shall cease to be such an Eligible Director for reasons other than retirement (meaning any voluntary cessation of services as a director) or death, while holding an Option that has not expired and has not been fully exercised, such person, at any time within one year after the date he ceases to be such an Eligible Director (but in no event after the Option has expired under the provisions of Section 5(d)(i) above), may exercise the Option with respect to any Common Stock shares as to which such person has not exercised the Option on the date the person ceased to be such an Eligible Director only to the extent that the Option is exercisable at the time of termination.

(B) if such person shall cease to be such an Eligible Director by reason of retirement or death while holding an Option that has not expired and has not been fully exercised, such person, or in the case of death, the executors, administrators or distributees, as the case may be, may at any time following the date of retirement or death (but in no event after the expiration of the Option period set forth in Section 5(d)(i) above), exercise the Option with respect to any shares of Common Stock as to which such person has not exercised the Option on the date the person ceased to be such an Eligible Director, notwithstanding the provisions of Section 5(e).

(C) if any person who has ceased to be such an Eligible Director for reasons other than death, shall die holding an Option that has not been fully exercised, such person's executors, administrators, heirs or distributees, as the case may be, may, at any time within the greater of (1) one year after the date of death or (2) the remainder for the period in which such person could have exercised the Option had the person not died (but in no event under either (1) or (2) after the Option has expired under the provisions of Section 5(d)(i) above), exercise the Option with respect to any shares as to which the decedent could have exercised the Option at the time of death.

In the event any Option is exercised by the executors, administrators, legatees or distributees of the estate of a deceased optionee, the Company shall be under no obligation to issue stock thereunder unless and until the Company is satisfied that the person or persons exercising the Option are the duly appointed legal representatives of the deceased optionee's estate or the proper legatees or distributees thereof. Notwithstanding the foregoing, the Board may set forth in an Option Agreement different rules relating to the treatment of Options upon an Eligible Director's cessation of service than those provided for in this Section 5(d)(iii).

(e) Unless otherwise set forth in an applicable Option Agreement, one-quarter (25%) of the total number of shares of Common Stock covered by the Option shall become exercisable on the first anniversary date of the grant of the Option; thereafter an additional one-quarter (25%) of the shares shall become exercisable annually on each subsequent anniversary date of the grant of the Option until the Option is fully exercisable.

(f) Notwithstanding anything to the contrary herein, if an Option has been transferred in accordance with Section 5(c), the Option shall be exercisable solely by the transferee. The Option shall remain subject to the provisions of the Plan, including that it will be exercisable only to the extent that the optionee or optionee's estate would have been entitled to exercise it if the optionee had not transferred the Option. In the event of the death of the transferee prior to the expiration of the right to exercise the Option, the Option shall be exercisable by the executors, administrators, legatees and distributees of the transferee's estate, as the case may be for a period of one year following the date of the transferee's death but in no event shall the Option be exercisable after the expiration of the Option period set forth in the Option Agreement. The Option shall be subject to such other rules as the Board shall determine.

(g) *No Deferral Feature.* No Option granted under this Plan shall include any feature for the deferral of compensation other than the deferral of recognition of income until exercise of the Option.

6. Terms and Conditions of Restricted Stock and Restricted Stock Units.

Restricted Stock Awards under the Plan shall consist of grants of shares of Common Stock of the Company, the grant, issuance, retention and/or vesting of which is subject to the terms and conditions hereinafter provided. The conditional grant of a Restricted Stock Unit to an Eligible Director will entitle the Participant to receive a specified number of shares of Common Stock, if the objectives specified in the Award, if any, are achieved and the other terms and conditions thereof are satisfied. Each Award will be subject to the following terms and conditions:

(a) The Board shall (i) select the Eligible Directors to whom Restricted Stock and Restricted Stock Unit Awards may from time to time be granted, (ii) determine the number of shares to be covered by each Award granted, (iii) determine the terms and conditions (not inconsistent with the Plan) of any Award granted hereunder, and (iv) prescribe the form of the agreement, legend or other instrument necessary or advisable in the administration of Awards under the Plan.

(b) Any Restricted Stock and Restricted Stock Unit Award granted under the Plan shall be evidenced by an agreement executed by the Company and the recipient, in such form as the Board shall approve and with such terms and conditions as the Board shall prescribe ("Award Agreement").

(c) The shares of Restricted Stock awarded pursuant to the Plan shall be subject to the following restrictions and conditions:

(i) During the restriction period, the Participant will not be permitted to sell, transfer, pledge or assign Restricted Stock awarded under this Plan.

(ii) Except as the Board may otherwise determine, a Participant holding Restricted Stock shall have all of the rights of a stockholder of the Company, including the right to vote the shares and receive dividends and other distributions, provided that distributions in the form of stock shall be subject to the same restrictions as the underlying Restricted Stock.

(d) Restricted Stock Units awarded pursuant to the Plan shall be subject to such restrictions and conditions as the Board may determine and set forth in the Award Agreement. A Participant holding Restricted Stock Units shall have none of the rights of a stockholder of the Company during the restriction period.

(e) *Compliance with Section 409A of the Code.* Notwithstanding any provision of the Plan to the contrary, to the extent Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") is or is likely to become applicable to the Participant, in the event any Award under this Section 6 constitutes or provides for a deferral of compensation within the meaning of Section 409A of the Code, the Award shall comply in all respects with the applicable requirements of Section 409A of the Code; the Award Agreement shall include all provisions required for the Award to comply with the applicable requirements of Section 409A of the Code; and those provisions of the Award Agreement shall be deemed to constitute provisions of the Plan.

7. Adjustment in the Event of Change in Stock.

In the event of changes in the outstanding Common Stock by reason of stock dividends, recapitalizations, mergers, consolidations, stock splits, combinations or exchanges of shares and the like, the aggregate number and class of shares available under the Plan, the number, class and the price of shares subject to outstanding Options and Awards of Restricted Stock and Restricted Stock Units shall be appropriately adjusted by the Board, whose determination shall be conclusive.

8. Miscellaneous Provisions.

(a) Except as expressly provided for in the Plan, no Eligible Director or other person shall have any claim or right to be granted an Award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any Eligible Director any right to be retained in the service of the Company.

(b) Except as provided for under Section 5(c), a Participant's rights and interest under the Plan may not be assigned or transferred in whole or in part either directly or by operation of law or otherwise (except in the event of a Participant's death, by will or the laws of descent and distribution), including, but not by way of limitations, execution, levy, garnishment, attachment, pledge, bankruptcy or in any other manner, and no such right or interest of any Participant in the Plan shall be subject to any obligation or liability of such Participant.

(c) No Common Stock shares shall be issued hereunder unless counsel for the Company shall be satisfied that such issuance will be in compliance with applicable federal, state and other securities laws and regulations and any other applicable laws and regulations.

(d) It shall be a condition to the obligation of the Company to issue Common Stock shares upon exercise of an Option or with respect to any other Award, that the Participant (or any beneficiary or person entitled to receive the benefit of an Award) pay to the Company, upon its demand, such amount as may be requested by the Company for the purpose of satisfying any liability to withhold federal, state, local or foreign income or other taxes. Each Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any such applicable taxes, and the Company shall, to the extent permitted by law, have the right to deduct such amount from any payment of any kind otherwise due to the Participant. If the amount requested is not paid or otherwise satisfied by the Participant, the Company may refuse to issue Common Stock shares.

(e) The expenses of the Plan shall be borne by the Company.

(f) The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the issuance of shares in connection with an Award under the Plan and issuance of shares in connection with Awards shall be subordinate to the claims of the Company's general creditors.

(g) By accepting any Award or other benefit under the Plan, each Participant and each person claiming under or through such person shall be conclusively deemed to have indicated his acceptance and ratification of, and consent to, any action taken under the Plan by the Company or the Board.

9. Change in Control.

In the event an Eligible Director's membership on the Board terminates pursuant to a qualifying termination (as defined below) during the three (3) year period following a change in control of the Company (as defined below) and prior to the exercise of Options granted under this Plan, all outstanding Options shall immediately become fully vested and exercisable notwithstanding any provisions of the Plan or of the applicable Option Agreement to the contrary. In addition, in the event of a change in control of the Company, the Board may (i) determine that outstanding Options shall be assumed by, or replaced with comparable options by, the surviving corporation (or a parent or subsidiary of the surviving corporation) and that outstanding Awards shall be converted to similar awards of the surviving corporation (or a parent or subsidiary of the surviving corporation), or (ii) take such other actions with respect to outstanding Options and Awards as the Board deems appropriate.

The following definitions shall apply for purposes of the Plan:

(a) For the purpose of this Plan, a change in control shall be deemed to have occurred on the earlier of the following dates:

(1) The date any person, as defined in Section 13(d)(3) of the Securities Exchange Act of 1934 ("Person"), shall have become the direct or indirect beneficial owner of (20%) or more of the then outstanding common shares of the Company;

(2) The date a merger or consolidation of the Company with any other corporation is consummated other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent at least 75% of the combined voting power of the voting securities of the Company or the surviving entity outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company in which no Person acquires more than 50% of the combined voting power of the Company's then outstanding securities;

(3) The date the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets;

(4) The date there shall have been a change in a majority of the Board of Directors of the Company within a two (2) year period beginning after the effective date of the Plan, unless the nomination for election by the Company's shareholders of each new director was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the two (2) year period.

(b) For purposes of this Plan provision, a qualifying termination shall be deemed to have occurred if the Eligible Director ceases to be a member of the Board for any reason other than death, disability, voluntary resignation, willful misconduct or activity deemed detrimental to the interests of the Company.

10. Amendment or Discontinuance.

The Plan may be amended at any time and from time to time by the Board as the Board shall deem advisable, including, but not limited to, amendments necessary to qualify for any exemption or to comply with applicable law or regulations; provided, however, that, except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the terms of outstanding Awards may not be amended, without stockholder approval, to reduce the exercise price of outstanding Options or to cancel outstanding Options in exchange for cash or other awards at a time when the exercise price of the Option exceeds the Fair Market Value of a share of Common Stock, or in exchange for stock options with an exercise price that is less than the exercise price of the original Options; and provided, further, that except as provided in Section 7 above, the Board may not, without further approval by the stockholders of the Company, increase the maximum number of shares of Common Stock as to which Awards may be granted under the Plan, reduce the minimum Option exercise price described in Section 5(a) above, extend the period during which Awards may be granted or exercised under the Plan or change the class of persons eligible to receive Awards under the Plan. No amendment of the Plan shall materially and adversely affect any right of any Participant with respect to any Award theretofore granted without such Participant's written consent, provided that no such consent shall be required with respect to any amendment or alteration if the Board determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award, or that any such diminishment has been adequately compensated.

11. Termination.

This Plan shall terminate upon the earlier of the following dates or events to occur:

(a) upon the adoption of a resolution of the Board terminating the Plan; or

(b) [•], 2032.

12. Governing Law.

The validity, construction, interpretation and effect of the Plan and agreements issued under the Plan shall be governed and construed by and determined in accordance with the laws of the State of Colorado, U.S.A., without giving effect to the conflict of laws provisions thereof.

ZIMVIE INC.
DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS
(Effective as of [•], 2022)

Section 1. Eligibility.

Any member of the Board of Directors (the "Board") of ZimVie Inc. (the "Company") who is not an officer or employee of the Company or a subsidiary thereof is eligible to participate in the Plan and will be a participant.

Section 2. Deferred Compensation Account.

There shall be established on the books of the Company for each participant a deferred compensation account in the participant's name.

Section 3. Amount of Deferral.

(a) *Mandatory Deferrals*. If a participant has not yet met the guideline level of Share Unit or Company common stock ownership established by the Board, fifty percent of the basic fee payable to a participant for membership on the Board (the "Mandatory Deferral") shall be deferred and credited to the participant's deferred compensation account as Share Units equal to the number of shares of the Company's common stock that could have been purchased with the deferred fee, determined by dividing the dollar value of the deferred fee by the fair market value of a share of the Company's common stock as reported in The Wall Street Journal on the date such fee would otherwise have been paid to the participant. As an additional Mandatory Deferral, at each annual meeting of the stockholders of the Company ("Annual Meeting"), each participant will receive 500 deferred Share Units (the "Annual Deferred Share Units"). The value of each Annual Deferred Share Unit will be equal to a share of the Company's common stock as reported in The Wall Street Journal on the date of grant.

(b) *Elective Deferrals*. For any calendar year, a participant may elect to defer receipt of compensation in excess of the participant's Mandatory Deferral for that year (the "Elective Deferral") by filing the appropriate form in accordance with Section 8 and requesting deferral of: (1) all of the participant's compensation in excess of the participant's Mandatory Deferral payable to the participant for serving on the Board and any committee thereof; or (2) any percentage specified by the participant of the compensation described in clause (1) that is in excess of the participant's Mandatory Deferral.

Section 4. Form and Computation of Deferred Amounts.

Subject to Section 3, at the time a participant elects to make an Elective Deferral, the participant shall elect to have the Elective Deferral credited to his or her deferred compensation account as Treasury Units, Dollar Units, or Share Units (each an "Investment Option"). A participant may allocate the Elective Deferrals among the Investment Options in increments of 0%, 33 1/3%, 50%, 66 2/3% or 100%. Any deferred amount credited to a participant's deferred compensation account as Treasury Units shall be credited with interest at a rate to be set by the Company in January of each year after a review of the six-month United States Treasury bill discount rates for the preceding year. Any deferred amount credited to a participant's deferred compensation account as Dollar Units shall be credited with interest at a rate to be set by the Company in January of each year after a review of investment return on the invested cash of the Company. If a participant elects to allocate a deferred amount to Share Units, the participant will be credited with Share Units equal to the number of shares of the Company's common stock that could have been purchased with the deferred amount, determined by dividing the dollar value of the deferred amount by the fair market value of a share of the Company's common stock as reported in The Wall Street Journal on the date such amount would otherwise have been paid to the participant. Upon payment by the Company of dividends on its common stock, the amount credited to a participant's deferred compensation account as Share Units shall be credited with a number of additional Share Units equal to (a) the number of Share Units in the participant's account multiplied by the amount of the dividend, (b) divided by the fair market value of a share of the Company's common stock as reported in The Wall Street Journal on the day the dividend is payable. The amount of Share Units in a participant's deferred compensation account shall be adjusted in the discretion of the Board to take into account a merger, consolidation, reorganization, recapitalization, stock split or other change in corporate structure or capitalization affecting the Company's common stock. At its discretion, the Board may discontinue, modify, or offer additional Investment Options.

Section 5. Period of Deferral.

A participant's Mandatory Deferrals, including Annual Deferred Share Units, will be paid sixty days after the participant's Separation From Service, which is generally defined as the expiration or other termination of all contracts, agreements, or arrangements under which the participant performs services for the Company, or any other company under common control with the Company, whether as a Director or other independent contractor or employee, provided that the expiration or termination constitutes a good-faith and complete termination of the contractual relationship between the participant and the Company (and all other companies under common control with the Company). Notwithstanding the foregoing, whether a Separation From Service has occurred for purposes of this Plan will be determined in accordance with the applicable standards under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), including § 1.409A-1(h) ("Section 409A").

At the time a participant makes a deferral election in accordance with Section 8 and 9, the participant may elect the period of deferral for amounts attributable to the Elective Deferrals that are the subject of that election. A participant may elect to defer receipt of amounts attributable to Elective Deferrals (1) until a specified calendar year in the future, (2) until the participant's Separation From Service, or (3) until the end of the calendar year in which the participant's Separation From Service occurs. If the participant elects alternative (1), payment will be made or commence within sixty days after the beginning of the calendar year specified in the election; if the participant elects alternative (2), payment will be made or commence within sixty days after the participant's Separation From Service; and if the participant elects alternative (3), payment will be made or commence within sixty days after the end of the calendar year in which the participant's Separation From Service occurs. If, with respect to an Elective Deferral, a participant does not make a timely election (in accordance with Section 8) as to the period of deferral, payment of amounts attributable to the Elective Deferral will be made or commence within sixty days after the participant's Separation From Service.

Section 6. Form of Payment.

Mandatory Deferrals, including Annual Deferred Share Units, will be paid in shares of the Company's common stock.

At the time a participant makes a deferral election in accordance with Section 8 and 9, the participant may elect the form of payment for amounts attributable to the Elective Deferrals that are the subject of that election. A participant may elect to receive payment of amounts attributable to Elective Deferrals in either (1) a lump sum cash payment or (2) a number of annual cash installments, not more than four, as specified by the participant. If installment payments are elected, the amount of each installment shall be equal to the balance in the participant's deferred compensation account divided by the number of installments remaining to be paid (including the installment in question) and payments shall be made during the period of each applicable year specified in Section 5. If a participant fails to make a timely election as to form of payment, payment will be made in a lump sum cash payment.

Section 7. Death Prior to Receipt.

If a participant dies prior to receipt of any of the amounts payable pursuant to this Plan, the participant's Mandatory Deferrals, including Annual Deferred Share Units, will be paid, in shares of the Company's common stock, to the participant's beneficiary or estate, as the case may be, within sixty days after the participant's death.

At the time a participant makes a deferral election in accordance with Section 8, the participant may elect that, in the event he or she dies prior to receipt of any of the amounts payable pursuant to this Plan, the participant's deferred compensation account attributable to Elective Deferrals will be paid to the participant's beneficiaries or estate, as the case may be, in either (1) a lump sum cash payment within sixty days following the participant's death, or (2) a number of annual cash installments, not more than four, as specified by the participant. If the participant elects alternative (2), the initial installment payment to the beneficiaries or estate will be made sixty days after the participant's death, and the amount of each installment and timing of each subsequent installment will be determined as provided in Section 6. If payment to the participant pursuant to clause (2) of Section 6 had commenced prior to death, the installment payments to the participant's beneficiaries or estate, as the case may be, will be made at the same time and in the same amount as installment payments would have been made to the participant had he or she survived. For purposes of this Section 7, any amounts deferred as Share Units will be converted to Dollar Units by multiplying the number of Share Units credited to a participant's deferred compensation account on the date of his or her death by the fair market value of a share of the Company's common stock on such date as reported in The Wall Street Journal.

Section 8. Time of Election of Deferral.

This Section 8 governs the time for making "Deferral Elections," which include elections to make Elective Deferrals pursuant to Section 3, elections as to the form and computation of deferred amounts pursuant to Section 4, elections of the period of deferral pursuant to Section 5, elections of the form of payment pursuant to Section 6, and elections with respect to death benefits pursuant to Section 7.

A nominee for election as a new (not returning) Director may make a Deferral Election prior to his or her election for the calendar year in which he or she is being elected, except that a person elected a new Director by the Board may make a Deferral Election no later than 30 days after his/her election as a Director (to the extent such election is compliant under Section 409A) (an "Initial Eligibility Election"), in which event such Initial Eligibility Election shall be effective only with respect to compensation earned after the Initial Eligibility Election is made. A person then currently serving as a Director may make a Deferral Election with respect to compensation for the next succeeding calendar year no later than the preceding November 30th. This Deferral Election will be deemed to apply for each succeeding calendar year, unless (1) the participant elects, in accordance with Section 10, to discontinue the Deferral Election or make a new Deferral Election, or (2) the election is stated, in writing, to apply only to the current calendar year.

Section 9. Manner of Electing Deferral.

A participant may make a Deferral Election by giving written notice to the Corporate Secretary's Office of the Company on a form provided by the Company, which notice shall include the amount to be deferred, the form in which the amount deferred is to be credited, the period of deferral and the form of payment, including the number of installments, if any.

Section 10. Effect of Election.

A Deferral Election shall be irrevocable by the participant once the calendar year to which it applies has commenced, or in the case of an Initial Eligibility Election, at the end of the 30th day following the new Director's election as a Director. An election may be discontinued or modified by the participant with respect to calendar years not yet begun by notifying the Corporate Secretary's Office of the Company in writing no later than November 30th of the preceding year.

Section 11. Maximum Number of Shares.

The maximum number of shares of the Company's common stock that may be issued and distributed under this Plan shall be Two Hundred Thousand (200,000) shares, subject to adjustment as provided under Section 4, above.

Section 12. Participant's Rights Unsecured.

The right of any participant to receive future payments under the provisions of the Plan shall be an unsecured claim against the general assets of the Company.

Section 13. Statement of Account.

A statement will be sent to each participant each year reflecting the value of his or her deferred compensation account as of the end of the preceding year.

Section 14. Assignability and Beneficiaries.

No right to receive payments under the Plan shall be transferable or assignable by a participant other than by will or under the laws of descent and distribution, except that a participant may designate one or more beneficiaries pursuant to the provisions of this Section. On a form to be provided by the Corporate Secretary's Office of the Company, a participant may name beneficiaries to receive any amounts to which the participant may be entitled under the Plan in the event of the participant's death. A participant may change his or her beneficiary designation from time to time in the same manner. If a participant fails to designate any beneficiary, or if no designated beneficiary is living on the date on which any payment becomes payable to the participant's beneficiaries, the payment will be payable to the participant's estate.

Section 15. Administration; Section 409A Compliance.

The Plan will be administered under the supervision of the Board, which will have the authority to adopt rules and regulations to carry out the Plan and to interpret, construe and implement the provisions of the Plan. The Plan, as amended and restated, is intended to comply with Section 409A and will be construed accordingly. In construing or interpreting any vague or ambiguous Plan provision, the interpretation that will prevail is the interpretation that will cause the Plan to comply with the applicable standards under Code Section 409A. To the extent that any terms of the Plan would subject any participant to gross income inclusion, interest, or additional tax pursuant to Code Section 409A, the Company shall not be responsible.

Notwithstanding any provision in the Plan to the contrary, if at the time of a participant's Separation From Service, the participant is a "specified employee" as defined under Section 409A, then any payment under this Plan that is payable on account of the participant's Separation From Service shall be delayed until the date which is the earlier of (a) the expiration of six months following the date of the participant's separation from service, and (B) the date of the participant's death, at which time all payments delayed pursuant to this paragraph shall be paid to the participant (or beneficiary or estate, as applicable) in a lump sum, and any remaining payments due under this Plan shall be paid or provided in accordance with the normal payment dates specified for them in this Plan or applicable Deferral Election.

Section 16. Amendment.

This Plan may at any time or from time to time be amended, modified or terminated by the Board. No amendment, modification or termination shall, without the consent of the participant, adversely affect that participant's accruals in his or her deferred compensation account as of the date of amendment, modification or termination.

Section 17. Governing Law.

The validity, construction, interpretation and effect of the Plan and agreements issued under the Plan shall be governed and construed by and determined in accordance with the Code, and, to the extent not in conflict, with the laws of the State of Colorado, without giving effect to the conflict of laws provisions thereof.

Section 18. Termination Date.

The Plan shall terminate effective as of [•], 2032. Notwithstanding the foregoing, any Mandatory Deferrals and Elective Deferrals deferred prior to [•], 2032 shall be distributed in accordance with the Plan as in effect on [•], 2032.

Exhibit 10.18

EXECUTION VERSION

CREDIT AGREEMENT

dated as of

December 17, 2021

among

ZIMVIE INC.,
as Borrower,

The Lenders and Issuing Banks Party Hereto,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent

JPMORGAN CHASE BANK, N.A.,
MUFG BANK, LTD.,
BANK OF AMERICA, N.A.,
DNB MARKETS, INC.,
MIZUHO BANK, LTD.
CITIBANK, N.A.,
and
GOLDMAN SACHS BANK USA,
as Joint Lead Arrangers and Joint Bookrunners

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CREDIT AGREEMENT dated as of December 17, 2021 (this "Agreement"), among ZIMVIE INC., a Delaware corporation (the "Borrower"), the LENDERS and ISSUING BANKS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The Borrower has requested (a) that the Lenders extend credit in the form of Initial Term Loans on the Closing Date to the Borrower in an aggregate principal amount equal to $595,000,000, and (b) the Revolving Lenders extend credit in the form of Revolving Loans and the Issuing Banks issue Letters of Credit, in each case at any time and from time to time during the Revolving Availability Period to the Borrower such that the Aggregate Revolving Exposure will not exceed $175,000,000 at any time. The Net Proceeds of the Initial Term Loans will be used by the Borrower and its subsidiaries (i) to make the Closing Date Distribution, (ii) to pay fees and expenses related to the Spin-off, the Closing Date Distribution and the other Transactions and (iii) for general corporate purposes. The proceeds of the Revolving Loans will be used on and after the date of the Spin-Off for working capital and other general corporate purposes (including acquisitions and other Investments and Restricted Payments permitted by this Agreement) of the Borrower and the Restricted Subsidiaries. Letters of Credit will be used by the Borrower and the Restricted Subsidiaries for general corporate purposes.

The Lenders are willing to extend such credit to the Borrower, and the Issuing Banks are willing to issue Letters of Credit for the account of the Borrower, on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Adjusted Daily Simple SOFR" means an interest rate per annum equal to (a) the Daily Simple SOFR, plus (b) 0.10%; provided that if the Adjusted Daily Simple SOFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term SOFR Rate" means, for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) (i) with respect any one-month Interest Period, 0.10%, (ii) with respect to any three-month Interest Period, 0.15% or (iii) with respect to any six-month Interest Period, 0.25%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Acceptable Intercreditor Agreement" means a customary intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower.

"Additional Lender" has the meaning assigned to such term in Section 2.21(c).

"Administrative Agent" means JPMorgan (or any of its designated branch offices or affiliates), in its capacity as administrative agent and collateral agent hereunder and under the other Loan Documents, and its successors in such capacity as provided in Article VIII.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any U.K. Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly, Controls or is Controlled by or is under common Control with the Person specified.

"Affiliated Lender Assignment and Assumption" means an assignment and assumption entered into by a Lender and a Purchasing Borrower Party (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit H or any other form approved by the Administrative Agent.

"Aggregate Revolving Commitment" means, at any time, the sum of the Revolving Commitments of all the Revolving Lenders at such time.

"Aggregate Revolving Exposure" means, at any time, the sum of the Revolving Exposures of all the Revolving Lenders at such time.

"Aggregate Term Commitment" means, at any time, the sum of the Term Commitments of all the Term Lenders at such time.

"Agreement" has the meaning assigned to such term in the introductory statement to this Agreement.

"Agreement Currency" has the meaning assigned to such term in Section 9.19.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Alternative Incremental Facility Debt" means any Indebtedness incurred by the Borrower in the form of one or more series of senior secured notes, bonds or debentures and/or term loans secured on a pari passu basis with or junior basis to the Loans or senior unsecured notes or term loans or senior subordinated notes or any bridge facility; provided that (i) if such Indebtedness is secured, such Indebtedness shall be secured by the Collateral on a pari passu or junior basis with the Loan Document Obligations and is not secured by any property or assets of any member of the Restricted Group other than the Collateral, (ii) such Indebtedness does not mature or have scheduled amortization or payments of principal prior to the Latest Maturity Date (or in the case of Indebtedness secured on a junior basis to the Loan Document Obligations or unsecured Indebtedness, the date that is 90 days after the Latest Maturity Date) at the time such Indebtedness is incurred (except, in each case, upon the occurrence of an event of default, a change in control, an event of loss or an asset disposition or in the case of Indebtedness secured by the Collateral on a pari passu basis with the Liens securing the Obligations, amortization not in excess of 1.00% per annum); provided that the requirements set forth in this clause (ii) shall not apply to any Indebtedness consisting of a customary bridge facility so long as such bridge facility, subject to customary conditions, would either automatically be converted into or required to be exchanged for permanent refinancing that does not mature earlier than the Latest Maturity Date, (iii) the mandatory prepayment provisions of any such Indebtedness shall not be more favorable to the applicable lenders or creditors than those of the Term Loans (as determined in good faith by the Borrower) unless (x) the Lenders of the Term Loans also receive the benefit of such more favorable terms or (y) such provisions apply after the Latest Maturity Date at the time and (iv) such Indebtedness is not guaranteed by any Subsidiaries other than the Loan Parties.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery, money-laundering or corruption.

"Applicable Parties" has the meaning given to such term in Section 9.01(d)(iii).

"Applicable Percentage" means, at any time with respect to any Revolving Lender, the percentage of the Aggregate Revolving Commitment represented by such Lender's Revolving Commitment at such time (or, if the Revolving Commitments have terminated or expired, such Revolving Lender's share of the total Revolving Exposure at that time); provided that, at any time any Revolving Lender shall be a Defaulting Lender, for purposes of Section 2.20(d)(ii), "Applicable Percentage" shall mean the percentage of the total Revolving Commitments (disregarding any such Defaulting Lender's Revolving Commitment) represented by such Lender's Revolving Commitment. If the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments of Revolving Loans and LC Exposures that occur after such termination or expiration and to any Lender's status as a Defaulting Lender at the time of determination.

"Applicable Rate" means, for any day, with respect to (a) any Loan and (b) the commitment fees payable hereunder in respect of unused Commitments after the Closing Date, the applicable rate per annum set forth below in the "Adjusted Term SOFR Rate Loans", "ABR Loans" or "Commitment Fee" column, as applicable, based upon the Consolidated Total Net Leverage Ratio as of the end of the fiscal quarter of the Borrower for which consolidated financial statements have most recently been delivered to the Administrative Agent pursuant to Section 5.01(a) or 5.01(b); provided that until the delivery of such consolidated financial statements as of and for the first full fiscal quarter of the Borrower beginning after the Closing Date, the Applicable Rate shall be that set forth below in Level I:

Level	Consolidated Total Net Leverage Ratio	Adjusted Term SOFR Rate Loans	ABR Loans	Commitment Fee
I	³ 3.25 to 1.00	1.75%	0.75%	0.25%
II	< 3.25 to 1.00 but ³2.00 to 1.00	1.625%	0.625%	0.25%
III	< 2.00 to 1.00	1.50%	0.50%	0.25%

For purposes of the foregoing, each change in the Applicable Rate resulting from a change in the Consolidated Total Net Leverage Ratio shall be effective during the period commencing on and including the date of delivery to the Administrative Agent pursuant to Section 5.01(a) or 5.01(b) of the consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change; provided that the Consolidated Total Net Leverage Ratio shall be deemed to be in Level I at the option of the Administrative Agent or at the request of the Required

Lenders if the Borrower fails to deliver the consolidated financial statements required to be delivered by it pursuant to Section 5.01(a) or 5.01(b) or the certificate of a Financial Officer required to be delivered by it pursuant to Section 5.01(c) during the period from the expiration of the time for delivery thereof until such consolidated financial statements and such certificate are delivered.

"Approved Asset Disposition" means any of the sales, dispositions or other transactions listed on Schedule 6.05 (which, for the avoidance of doubt, shall include the Palm Beach Gardens Facility Sale Leaseback).

"Approved Fund" means, with respect to any Lender or Eligible Assignee, any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its activities and that is administered, advised or managed by (a) such Lender or Eligible Assignee, (b) an Affiliate of such Lender or Eligible Assignee or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender or Eligible Assignee.

"Arrangers" means, collectively, JPMorgan, MUFG Bank, Ltd., Bank of America, N.A., DNB Markets, Inc., Mizuho Bank, Ltd., Citibank, N.A., and Goldman Sachs Bank USA in their capacities as joint lead arrangers and joint bookrunners.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any Person whose consent is required by Section 9.04) and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Auction" means an auction pursuant to which a Purchasing Borrower Party offers to purchase Term Loans pursuant to the Auction Procedures.

"Auction Manager" means any financial institution or advisor employed by the Borrower (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Auction; provided that the Borrower shall not designate the Administrative Agent as the Auction Manager without the written consent of the Administrative Agent (it being understood and agreed that the Administrative Agent shall be under no obligation to agree to act as the Auction Manager).

"Auction Procedures" means the procedures set forth in Exhibit G.

"Auction Purchase Offer" means an offer by a Purchasing Borrower Party to purchase Term Loans of one or more Classes pursuant to an auction process conducted in accordance with the Auction Procedures and otherwise in accordance with Section 9.04(e).

"Available Amount" means, at any time,

(a) the sum of:

(i) $40,000,000, plus

(ii) an amount (not less than zero in the aggregate) equal to 50% of the Consolidated Net Income of the Borrower for the period (taken as one accounting period) from the first day of the first fiscal quarter of the Borrower during which the Closing Date occurred to and including the last day of the Borrower's most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 5.01(a) or 5.01(b), as applicable, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit, plus

(iii) the Net Proceeds from any sale or issuance of Equity Interests (other than Disqualified Equity Interests) of the Borrower after the Closing Date, plus

(iv) the aggregate amount of prepayments declined by the Term Lenders and retained by the Borrower pursuant to Section 2.11(f), plus

(v) to the extent not already included in the calculation of Consolidated Net Income and without duplication of clause (vi) below and of any amount deducted from the calculation of Investments or applied to increase Investment capacity under this Agreement, the amounts of any dividends in cash or Permitted Investments or other returns, profits, distributions and similar amounts (whether by means of a sale or other disposition, a repayment of a loan or advance, a dividend or otherwise) received by the Borrower and the Restricted Subsidiaries on Investments made using the Available Amount, in each case up to the original amount of such Investments; plus

(vi) to the extent not already included in the calculation of Consolidated Net Income and without duplication of clause (v) above and of any amount deducted from the calculation of Investments or otherwise applied to increase Investment capacity under this Agreement, the amount of any Investment made using the Available Amount in any Unrestricted Subsidiary that has been re-designated as a Restricted Subsidiary or that has been merged, amalgamated or consolidated with or into the Borrower or any of the Restricted Subsidiaries (up to the lesser of (A) the fair market value determined in good faith by the Borrower of the Investments of the Borrower and the Restricted Subsidiaries in such Unrestricted Subsidiary at the time of such re-designation or merger or consolidation and (B) the fair market value determined in good faith by the Borrower of the original Investment by the Borrower and the Restricted Subsidiaries in such Unrestricted Subsidiary); minus

(b) the sum since the Closing Date of (i) Investments, loans and advances previously or concurrently made in reliance on the Available Amount, plus (ii) Restricted Payments previously or concurrently made in reliance on the Available Amount, plus (iii) Restricted Debt Payments previously or concurrently made in reliance on the Available Amount.

Notwithstanding the foregoing, in no event shall any payments by Zimmer or a subsidiary of Zimmer to the Borrower or any of its Restricted Subsidiaries made in connection with the Transactions on or prior to the Closing Date be added to the Available Amount.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (e) of Section 2.14.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of any Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Event" means, with respect to any Person, that such Person has become the subject of a bankruptcy, insolvency proceeding or Bail-In Action, or has had a receiver, conservator, trustee, administrator, custodian, examiner, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment or has become the subject of a Bail-In Action; provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or an Undisclosed Administration; provided further that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Benchmark" means, initially, with respect to any Term Benchmark Loan, the Term SOFR Rate; provided that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the Term SOFR Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.14.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the Adjusted Daily Simple SOFR;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of

"Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

"Beneficial Ownership Certification" means a certification regarding individual beneficial ownership solely to the extent expressly required by 31 C.F.R. § 1010.230 (the "Beneficial Ownership Regulation").

"Beneficial Ownership Regulation" has the meaning specified in the definition of Beneficial Ownership Certification.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Borrower" has the meaning assigned to such term in the introductory statement to this Agreement.

"Borrowing" means Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

"Borrowing Minimum" means (a) in the case of a Term Benchmark Borrowing, $1,000,000 and (b) in the case of an ABR Borrowing, $1,000,000.

"Borrowing Multiple" means (a) in the case of a Term Benchmark Borrowing $500,000 and (b) in the case of an ABR Borrowing, $100,000.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be substantially in the form of Exhibit M (or such other form approved by the Administrative Agent and otherwise consistent with the requirements of Section 2.03).

"Business Day" means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City or Chicago; provided that, in relation to Term Benchmark Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such Term Benchmark Loan, or any other dealings of such Term Benchmark Loan, any such day that is an U.S. Government Securities Business Day.

"Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its consolidated Subsidiaries during such period which, in accordance with GAAP, are or should be included in "capital expenditures".

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or finance leases on a balance sheet of such Person under GAAP (subject to the provisions of Section 1.04), and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP (subject to the provisions of Section 1.04).

"Captive Insurance Subsidiary" means a Subsidiary of the Borrower established for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by the Borrower or any of its Subsidiaries or joint ventures.

"Cash Management Financing Facilities" has the meaning assigned to such term in the definition of "Secured Cash Management Obligations".

"Cash Management Services" means the treasury management services (including controlled disbursements, zero balance arrangements, cash sweeps, automated clearinghouse transactions, return items, overdrafts, single entity or multi-entity multicurrency notional pooling structures, temporary advances, interest and fees and interstate depository network services), netting services, employee credit or purchase card programs and similar programs, in each case provided to the Borrower or any Restricted Subsidiary.

"Change in Control" means (i) prior to the consummation of the Spin-Off, any Person other than Zimmer or any of its wholly owned Subsidiaries shall have acquired ownership, directly or indirectly, beneficially or of record, of any of the Equity Interests in the Borrower or (ii) after the consummation of the Spin-Off, the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder), of 35% or more of the Voting Equity Interests in the Borrower; provided, however, that this clause (ii) shall not include any transaction where (x) the Borrower becomes a direct or indirect wholly owned subsidiary of a holding company, and (y) the direct or indirect holders of the Voting Equity Interests of such holding company immediately following that transaction are substantially the same as the holders of the Borrower's Voting Equity Interests immediately prior to that transaction.

For purposes of this definition, (i) "beneficial ownership" shall be as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act and (ii) the phrase Person or "group" is within the meaning of Section 13(d) or 14(d) of the Exchange Act, but excluding any employee benefit plan of such Person or "group" and its subsidiaries and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan.

"Change in Law" means the occurrence, after the Effective Date (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to

the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives promulgated thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III, in each case shall be deemed to be a "Change in Law", regardless of the date enacted, adopted, promulgated or issued.

"Charges" has the meaning assigned to such term in Section 9.13.

"Class", when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Initial Term Loans, Swingline Loans, Incremental Term Loans or Refinancing Term Loans, (b) any Commitment, refers to whether such Commitment is a Revolving Commitment, a Term Commitment in respect of Initial Term Loans or a Commitment in respect of any Incremental Term Loans or Refinancing Term Loans and (c) any Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular Class. Incremental Term Loans and Refinancing Term Loans that have different terms and conditions (together with the Commitments in respect thereof) shall be construed to be in different Classes.

"Closing Date" has the meaning assigned to such term in Section 4.02.

"Closing Date Distribution" means the distribution by the Borrower to Zimmer and/or a subsidiary of Zimmer, to be made with up to approximately $545,000,000 of the Net Proceeds of the Term Loans, subject to additional separation-related working capital and cash adjustments.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

"CMS" means the Centers for Medicare & Medicaid Services, the federal agency responsible for administering Medicare, Medicaid, SCHIP (State Children's Health Insurance Program) and other federal health-related programs.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means any and all assets, whether real or personal, tangible or intangible, on which Liens are purported to be granted pursuant to the Security Documents as security for the Obligations, but excluding, for the avoidance of doubt, the Excluded Property.

"Collateral Agreement" means the Collateral Agreement among the Loan Parties and the Administrative Agent, substantially in the form of Exhibit C, or any other collateral agreement reasonably requested (in accordance with the Collateral and Guarantee Requirement) by the Administrative Agent.

"Collateral and Guarantee Requirement" means, at any time from and after the Closing Date, the requirement that:

(a) the Administrative Agent shall have received from the Borrower and each other Loan Party (i) a counterpart of each Security Document to which such Person is a party duly executed and delivered on behalf of such Person or (ii) in the case of any Subsidiary that becomes a Loan Party after the Closing Date, a supplement to the Collateral Agreement in substantially the form attached as Exhibit I thereto, a supplement to the Guarantee Agreement in substantially the form attached as Exhibit I thereto, a Patent Security Agreement, Trademark Security Agreement and/or Copyright Security Agreement (each as defined in the Collateral Agreement, and to the extent applicable) and other security documents reasonably requested by the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent (consistent with the Security Documents in effect on the Closing Date), duly executed and delivered on behalf of such Person, in each case, together with opinions and documents of the type referred to in Sections 4.01(b) and (c) with respect to such Person as may be reasonably requested by the Administrative Agent;

(b) (i) all outstanding Equity Interests (other than any Equity Interest constituting Excluded Property) of each Restricted Subsidiary that is a Material Subsidiary, in each case owned by any Loan Party, shall have been pledged pursuant to the Collateral Agreement; provided that the Loan Parties shall not be required to pledge Excluded Property and (ii) the Administrative Agent shall, to the extent required by the Collateral Agreement, have received certificates or other instruments representing all such Equity Interests of any Restricted Subsidiary (other than any Equity Interest constituting Excluded Property) held by any Loan Party, together with undated stock powers or other appropriate instruments of transfer with respect thereto endorsed in blank (to the extent applicable and provided that no Loan Party shall have any obligation to deliver a certificate or other instrument representing any such Equity Interest if such Equity Interest is uncertificated);

(c) (i) all Indebtedness of the Borrower and each Subsidiary that is owing to any Loan Party shall be evidenced by, at the Loan Party's option, a Global Intercompany Note or one or more standalone promissory notes (in each case to the extent required by Section 6.04(f)), and shall be Collateral pursuant to the applicable Security Documents; and (ii) the Administrative Agent shall have received the Global Intercompany Note and all such promissory notes with a principal amount of $10,000,000 or more, together with undated instruments of transfer with respect thereto endorsed in blank;

(d) all financing statements and other appropriate filings or recordings, including Uniform Commercial Code financing statements, required by law or specified in the Security Documents to be filed, registered or recorded on the Closing Date (or on the applicable date the Collateral and Guarantee Requirement is required to be satisfied with respect to the relevant assets pursuant to Sections 5.12, 5.13 and 5.15 hereof or applicable provisions in the Security Documents) shall have been so filed, registered or recorded or delivered to the Administrative Agent for such filing, registration or recording;

(e) the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property (provided that if the Mortgaged Property is in a jurisdiction that imposes a mortgage recording or similar tax on the amount secured by such Mortgage, then the amount secured by such Mortgage shall be limited to the fair market value, as reasonably determined by the Borrower in good faith, of such Mortgaged Property), (ii) a policy or policies of title insurance issued by a nationally recognized title insurance company insuring the Lien of each such Mortgage as a valid and enforceable first Lien on the Mortgaged Property described therein, free of any other Liens except as expressly permitted by Section 6.02, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request to the extent available in the applicable jurisdiction at commercially reasonable rates (it being agreed that the Administrative Agent shall accept zoning reports from a nationally recognized zoning company in lieu of zoning endorsements to such title insurance policies), in an amount equal to the fair market value of such Mortgaged Property as reasonably determined by the Borrower in good faith, provided that in no event will the Borrower be required to obtain independent appraisals or other third-party valuations of such Mortgaged Property, unless required by FIRREA or other applicable law, provided, however, the Borrower shall provide to the title company such supporting information with respect to its determination of Fair Market Value as may be reasonably required by the title company, (iii) with respect to each Mortgaged Property located in the United States, a completed "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination (together with a notice about special flood hazard area status and flood disaster assistance, which, if applicable, shall be duly executed by the applicable Loan Party relating to such Mortgaged Property), and, if any such Mortgaged Property is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, evidence of such flood insurance as may be required under the Flood Insurance Laws and (iv) such customary surveys (or existing surveys together with no-change affidavits of such Mortgaged Property or survey alternatives, including express maps), abstracts, legal opinions, title documents and other documents as the Administrative Agent or the Required Lenders may reasonably request with respect to any such Mortgage or Mortgaged Property; provided that (x) the requirements of the foregoing clauses (i), (ii), (iii) and (iv) shall be completed on or before, (1) in the case of Mortgaged Property owned on the Closing Date, the date that is 90 days after the Closing Date (or such longer period as the Administrative Agent may, in its reasonable discretion, agree (such approval or consent not to be unreasonably withheld or delayed)) in accordance with Section 5.15 or (2) in the case of other Mortgaged Property, the date required by Section 5.12 or 5.13(a), as applicable, (y) legal opinions referred to in the foregoing clause (iv) shall be limited to the purposes of obtaining customary legal opinions from counsel qualified to opine in the jurisdiction where such Mortgaged Property is located regarding solely the enforceability of the Mortgage for such Mortgaged Property and such other customary matters as may be in form and substance reasonably satisfactory to the Administrative Agent; and (z) no delivery of new surveys shall be required for any Mortgaged Property where the title company will issue a lender's title policy with the standard survey exception omitted from such title policy and affirmative endorsements that require a survey; and

(f) to the extent required by the terms hereof or by the Security Documents, each Loan Party shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder.

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, subject to the following sentence, no Loan Party shall be required, nor shall the Administrative Agent be authorized, to perfect pledges, security interests or mortgages of Collateral of Loan Parties by any means other than by (i) filings pursuant to the Uniform Commercial Code, in the office of the Secretary of State (or similar central filing office) of the relevant jurisdiction where the grantor is located (as determined pursuant to the Uniform Commercial Code) and filings in the applicable real estate records with respect to Mortgaged Properties, (ii) with respect to IP Rights, filings in the United States Patent and Trademark Office and the United States Copyright Office as expressly required in the Security Documents, (iii) delivery to the Administrative Agent, to be held in its possession, of the Global Intercompany Note and all Collateral consisting of intercompany notes in a principal amount of $10,000,000 or more, owed by a single obligor, stock certificates of Restricted Subsidiaries and instruments, in each case as expressly required in the Security Documents and (iv) the use of commercially reasonable efforts by the Loan Parties to enter into control agreements with respect to any deposit accounts or securities accounts (other than Excluded Deposit Accounts or Excluded Securities Accounts) (A) in the case of any such deposit account or securities account in existence on the Closing Date, within 60 days (or such longer period as the Administrative Agent may agree in its reasonable discretion) after the Closing Date and (B) in the case of any such deposit account or securities account opened or acquired after the Closing Date, within 90 days (or such longer period as the Administrative Agent may agree in its reasonable discretion) after the date of the opening or acquiring of such account, in each case as expressly required in the Security Documents. For the avoidance of doubt, and notwithstanding anything to the contrary, including the foregoing, (x) no actions (including filings or searches) shall be required in order to create or perfect any security interest in any assets held or located outside of the United States of the Loan Parties (including any IP Rights registered or applied-for in, or otherwise located in, protected or arising under the laws of any jurisdiction outside the United States) and (y) no foreign law security or pledge agreements or foreign law mortgages or deeds shall be required outside of the United States with respect to any Loan Party.

"Commitment" means with respect to any Lender, such Lender's Revolving Commitment, Term Commitment or commitment in respect of any Incremental Term Loans or any combination thereof (as the context requires).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.) and any successor statute.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to this Agreement or any other Loan Document or the transactions contemplated herein or therein that is distributed to the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to Section 9.01, including through the Platform.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consenting Lender" has the meaning assigned to such term in Section 2.22(a).

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus

(a) without duplication and to the extent deducted in determining such Consolidated Net Income (or, in the case of amounts pursuant to clause (vii) below, not already included in Consolidated Net Income) for such period, the sum of:

(i) total interest expense for such period, and, to the extent not reflected in such total interest expense, the sum of (A) premium payments, debt discount, fees, charges and related expenses incurred in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, plus (B) the portion of rent expense with respect to such period under Capital Lease Obligations that is treated as interest expense in accordance with GAAP, plus (C) any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations or such derivative instruments, plus (D) bank and letter of credit fees and costs of surety bonds in connection with financing activities, plus (E) any commissions, discounts, yield and other fees and charges (including any interest expense) related to any Permitted Receivables Facility, plus (F) amortization or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated hedging obligations and other commissions, financing fees and expenses and, adjusted, to the extent included, to exclude any refunds or similar credits received in connection with the purchasing or procurement of goods or services under any purchasing card or similar program,

(ii) provision for Taxes based on income, profits, revenue or capital for such period, including, without limitation, state, franchise, excise, gross receipts, value added, margins, and similar taxes and foreign withholding taxes (including penalties and interest related to taxes or arising from tax examinations),

(iii) depreciation and amortization expense for such period,

(iv) costs and expenses incurred or attributed to the Borrower and its Subsidiaries in connection with the Spin-Off, including but not limited to severance costs, relocation costs, repositioning and other restructuring costs, integration and facilities' opening costs and other business optimization expenses and operating improvements and establishment costs, recruiting fees, signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities, internal costs in respect of Spin-Off related initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), contract terminations and professional and consulting fees incurred in connection with any of the foregoing, in each case incurred in connection with the Spin-Off during such period to the extent such incurrence occurs prior to the one-year anniversary of the Closing Date,

(v) fees, costs and expenses incurred during such period in connection with any proposed or actual permitted merger, acquisition, Investment, asset sale or other disposition, debt incurrence or refinancing or other capital markets transaction, without regard to the consummation thereof,

(vi) unusual, non-recurring, or exceptional expenses, losses or charges incurred during such period, including severance costs, lease termination costs, relocation costs, restructuring charges, retention or completion bonuses, signing costs and other expenses not otherwise added back to Consolidated EBITDA; provided that the aggregate amount added back to Consolidated EBITDA pursuant to this clause (vi), together with the aggregate amounts added back pursuant to clauses (vii) and (xii) below shall not exceed 25% of Consolidated EBITDA for such period (determined prior to all such addbacks and adjustments),

(vii) the amount of "run-rate" cost savings projected by the Borrower and its Restricted Subsidiaries in good faith to result from actions that have been taken or with respect to which substantial steps have been taken prior to the last day of such period and benefits realized (in the good faith determination of the Borrower) within eighteen (18) months after the consummation of any transaction with respect to integrating, consolidating or discontinuing operations, headcount reductions, operating expense reductions or closure of facilities, in each case calculated on a Pro Forma Basis as though such cost savings had been realized on the first day of such period, net of the amount of actual benefits realized from such actions; provided that the aggregate amount added back to Consolidated EBITDA pursuant to this clause (vii), together with the aggregate amounts added back pursuant to clause (vi) above and clause (xii) below shall not exceed 25% of Consolidated EBITDA for such period (determined prior to all such addbacks and adjustments),

(viii) any non-cash charges, losses or expenses for such period except to the extent representing an accrual for future cash outlays (but excluding any non-cash charge, loss or expense in respect of an item that was included in Consolidated Net Income in a prior period and any non-cash charge, loss or expense that relates to the write-down or write-off of inventory, other than any write-down or write-off of inventory as a result of purchase accounting adjustments in respect of any acquisition permitted by the credit facilities provided for under this Agreement),

(ix) any non-cash loss attributable to the mark to market movement in the valuation of any Equity Interests, and hedging obligations or other derivative instruments;

(x) (A) any losses relating to amounts paid in cash prior to the stated settlement date of any hedging obligation that has been reflected in Consolidated Net Income for such period, (B) any losses during such period attributable to early extinguishment of indebtedness or obligations under any Hedging Agreement and (C) any gain relating to hedging obligations associated with transactions realized in the current period that has been reflected in Consolidated Net Income in prior periods and excluded from Consolidated EBITDA pursuant to clauses (b)(iv) below,

(xi) any losses during such period resulting from the sale or disposition of any asset outside the ordinary course of business,

(xii) other add-backs and adjustments of the type set forth in (x) the Lender Presentation and/or (y) the Effective Date Form 10 incurred during such period; provided, that the aggregate amount added back to Consolidated EBITDA pursuant to this clause (xii), together with the aggregate amounts added back pursuant to clauses (vi) and (vii) above shall not exceed 25% of Consolidated EBITDA (determined prior to all such add-backs and adjustments),

(xiii) (A) any charges, costs, expenses, accruals or reserves incurred pursuant to any management equity plan, profits interest or stock option plan, any equity-based compensation or equity-based incentive plan, or any other management or employee benefit plan, agreement or pension plan and (B) any charges, costs, expenses, accruals or reserves in connection with the rollover, acceleration or payout of Equity Interests of the Borrower held by management of the Borrower or any of its subsidiaries,

(xiv) any non-cash expenses relating to stock option exercises,

(xv) Public Company Costs, and

(xvi) any non-cash charge, loss or expense for such period relating to the write-down or write-off of inventory in connection with certain brand rationalization and product discontinuation initiatives of the Borrower and its Subsidiaries undertaken during the period from the Effective Date through and including the Closing Date; provided, that the aggregate amount added back to Consolidated EBITDA pursuant to this clause (xvi) shall not exceed $35,000,000,

minus

(b) without duplication and to the extent included in determining such Consolidated Net Income, the sum of

(i) interest income for such period,

(ii) any non-cash gains for such period (other than any such non-cash gains (A) in respect of which cash was received in a prior period or will be received in a future period and (B) that represent the reversal of any accrual in a prior period for, or the reversal of any cash reserves established in a prior period for, anticipated cash charges),

(iii) all gains during such period resulting from the sale or disposition of any asset outside the ordinary course of business,

(iv) (A) any gains relating to amounts received in cash prior to the stated settlement date of any hedging obligation that has been reflected in Consolidated Net Income for such period, (B) any gains during such period attributable to early extinguishment of Indebtedness or obligations under any Hedging Agreement and (C) any loss relating to hedging obligations associated with transactions realized in the current period that has been reflected in Consolidated Net Income in prior periods and excluded from Consolidated EBITDA pursuant to clause (a)(x) above,

(v) any non-cash gain attributable to the mark to market movement in the valuation of any Equity Interests, and hedging obligations or other derivative instruments, and

(vi) all unusual, non-recurring or exceptional gains for such period.

In the event any Subsidiary shall be a subsidiary that is not wholly owned by the Borrower, all amounts added back in computing Consolidated EBITDA for any period pursuant to clause (a) above, and all amounts subtracted in computing Consolidated EBITDA pursuant to clause (b) above, to the extent such amounts are, in the reasonable judgment of a Financial Officer of the Borrower, attributable to such subsidiary, shall be reduced by the portion thereof that is attributable to the non-controlling interest in such subsidiary.

Notwithstanding the foregoing and any requirements of GAAP to the contrary, Consolidated EBITDA shall be deemed to equal (a) $45,500,000.00 for the fiscal quarter ended December 31, 2020, (b) $39,975,000.00 for the fiscal quarter ended March 31, 2021, (c) $38,802,000.00 for the fiscal quarter ended June 30, 2021 and (d) $21,296,000.00 for the fiscal quarter ended September 30, 2021 (it being understood that such amounts are subject to adjustments, as and to the extent otherwise contemplated in this Agreement, in connection with any calculation on a Pro Forma Basis).

"Consolidated First Lien Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Senior Secured Net Debt to (b) Consolidated EBITDA for the most recently ended Test Period.

"Consolidated Net Debt" means, as of any date, (a) the aggregate principal amount of Indebtedness of the type specified in the following clauses of the definition of "Indebtedness" (without duplication): clause (a), clause (b), clause (e), clause (h) (provided that no lease Obligations with respect to the Palm Beach Gardens Facility shall be included in this definition of "Consolidated Net Debt" so long as the Borrower meets the requirements of Section 2.11(c) with respect to the Palm Beach Gardens Facility Sale Leaseback), clauses (i) and (j) (but in each case only to the extent drawn and unreimbursed after one Business Day) and clauses (f) and (g) (but in each case of clause (f) and (g) only to the extent supporting Indebtedness of the types referred to above), in each case relating to the Restricted Group outstanding as of such date determined on a consolidated basis (such Indebtedness in this clause (a), "Funded Indebtedness") minus (b) the sum of (i) unrestricted cash and cash equivalents held by the Restricted Group at such time (other than the proceeds of any Incremental Facility and Alternative Incremental Facility Debt borrowed at the time of determination; provided that to the extent proceeds of any such Incremental Facility or Alternative Incremental Facility Debt are to be used to repay Indebtedness, the Borrower shall be permitted to give pro forma effect to such repayment of Indebtedness) and (ii) the aggregate amount of cash, cash equivalents (which, in each case, for purposes of this definition shall only include amounts restricted in favor of the Administrative Agent for the benefit of the Secured Parties) held by the Restricted Group at such time.

"Consolidated Net Income" means, for any period, (a) the net income or loss of the Restricted Group for such period determined in accordance with GAAP as set forth on the consolidated financial statements of the Restricted Group for such period, excluding (b) any Transaction Costs incurred during such period and excluding (c) fees and expenses incurred during such period in connection with any proposed or actual permitted merger, acquisition, Investment, asset sale, other disposition or capital markets transaction, without regard to the consummation thereof and any gains (loss) and all fees and expenses or charges relating thereto for such period attributable to early extinguishment of Indebtedness or obligations under any Hedging Agreement; provided that there shall be excluded (i) the income of any Person that is not a member of the Restricted Group, except to the extent of the amount of cash dividends or other cash distributions (or, in the case of non-cash distributions, to the extent converted into cash) actually paid by such Person to the Borrower or any Restricted Subsidiary of the Borrower during such period, (ii) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss, (iii) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with GAAP, and (iv) the cumulative effect of a change in accounting principles in such period, if any.

"Consolidated Secured Net Debt" means, as of any date, Consolidated Net Debt minus the portion of Indebtedness of the Restricted Group included in Consolidated Net Debt that is not secured by any Lien on property or assets of the Restricted Group.

"Consolidated Secured Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Secured Net Debt to (b) Consolidated EBITDA for the most recently ended Test Period.

"Consolidated Senior Secured Net Debt" means, as of any date, Consolidated Net Debt minus the portion of Indebtedness of the Restricted Group included in Consolidated Net Debt that is not (a) equal in right of payment to the Obligations of the Restricted Group and (b) secured by any Lien on the Collateral on a pari passu basis.

"Consolidated Total Assets" means the total assets of the Restricted Group determined in accordance with GAAP.

"Consolidated Total Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Net Debt to (b) Consolidated EBITDA for the most recently ended Test Period.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Copyrights" has the meaning assigned to such term in the Collateral Agreement.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning assigned to it in Section 9.21.

"Credit Party" means the Administrative Agent, each Issuing Bank, the Swingline Lender and each other Lender.

"Daily Simple SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day (such day "SOFR Determination Date") that is five (5) U.S. Government Securities Business Day prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

"Declining Lender" has the meaning assigned to such term in Section 2.22(a).

"Default" means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, constitute an Event of Default.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, made in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans; provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent or (d) has, or has a direct or indirect parent company that has, become the subject of a Bankruptcy Event. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.20) upon delivery of written notice of such determination to the Borrower, each Issuing Bank and each other Lender.

"Designated Non-Cash Consideration" means the fair market value of non-cash consideration received by the Borrower or a Subsidiary in connection with a disposition pursuant to Section 6.05(k) that is designated as Designated Non-Cash Consideration pursuant to a certificate of an executive officer, setting forth the basis of such valuation (which amount will be reduced by the fair market value of the portion of the non-cash consideration converted to cash within 180 days following the consummation of such disposition).

"Disqualified Equity Interest" means any Equity Interest that (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests) or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise, prior to the date that is 91 days after the Latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the Effective Date, as of the Effective Date), other than (i) upon payment in full of the Loan Document Obligations, reduction of the LC Exposure to zero and termination of the Commitments or (ii) upon a "change in control" or asset sale or casualty or condemnation event; provided that any payment required pursuant to this clause (ii) shall be subject to the prior repayment in full of the Loan Document Obligations, reduction of the LC Exposure to zero and termination of the Commitments or (b) is convertible or exchangeable, automatically or at the option of any holder thereof, into (i) any Indebtedness (other than any Indebtedness described in clause (k) of the definition thereof) or (ii) any Equity Interests other than Qualified Equity Interests, in each case at any time prior to the date that is 91 days after the Latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the Effective Date, as of the Effective Date); provided that an Equity Interest in any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Disqualified Institution" means (i) (x) the competitors of the Borrower and their respective subsidiaries and (y) the banks, financial institutions and other institutional lenders and persons, in each case set forth in a list provided to the Administrative Agent prior to the Effective Date (and, solely with respect to clause (i)(x), as such list may be updated by the Borrower following the Effective Date) at JPMDQ_Contact@jpmorgan.com or such other address provided by the Administrative Agent from time to time; provided that any such list provided (or, in the case of clause (i)(x), any modifications, deletions or supplements thereto) shall become effective the following Business Day after such delivery and (ii) any of their Affiliates that are

clearly identifiable solely on the basis of such Affiliates' name (other than any such Affiliates that are primarily engaged in making, purchasing, holding or otherwise investing in commercial loans in the ordinary course of their business (other than any Affiliates excluded pursuant to clause (i)(y)) (provided that the exclusion as to Disqualified Institutions shall not apply retroactively to disqualify any entity that has previously acquired an assignment or participation interest in the Loans to the extent such entity was not a Disqualified Institution at the time of the applicable assignment or participation, as the case may be).

"Distribution Agreement" means the Separation and Distribution Agreement between Zimmer and the Borrower, to be dated on or prior to the Distribution Date.

"Distribution Date" means the date of the distribution of the shares of common stock of the Borrower to shareholders of record of Zimmer pursuant to the Spin-Off.

"dollars" or "$" refers to lawful currency of the United States of America.

"ECF Sweep Amount" has the meaning assigned to such term in Section 2.11(d).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" has the meaning assigned to such term in Section 4.01.

"Effective Date Form 10" means the draft registration statement on Form 10 provided by the Borrower to the Lenders on December 14, 2021 (including the information statement filed therewith).

"Electronic Signature" means an electronic sound, symbol or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Eligible Assignee" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) any other Person, other than, in each case, a natural person, a Defaulting Lender, the Borrower, any Subsidiary, any other Affiliate of the Borrower and to the extent posted to the Lenders, a Disqualified Institution.

"Employee Matters Agreement" means the Employee Matters Agreement between Zimmer and the Borrower, to be dated on or prior to the Distribution Date.

"Environmental Law" means any treaty, law (including common law), rule, regulation, code, ordinance, order, decree, judgment, injunction, notice or binding agreement issued, promulgated or entered into by or with any Governmental Authority, relating in any way to (a) the protection of the environment, (b) the preservation or reclamation of natural resources, (c) the generation, management, Release or threatened Release of any hazardous material or (d) health and safety matters, to the extent relating to the exposure to hazardous materials.

"Environmental Liability" means any liability, obligation, loss, claim, action, order or cost, contingent or otherwise (including any liability for damages, costs of medical monitoring, costs of environmental remediation or restoration, administrative oversight costs, consultants' fees, fines, penalties and indemnities), directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Environmental Law or permit, license or approval required thereunder, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials, or (e) any legally binding contract or written agreement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests (whether voting or non-voting) in, or interests in the income or profits of, a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing (other than, prior to the date of such conversion, any debt security that is convertible into or exchangeable for Equity Interests of such Person).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or 414(c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) a determination that any Plan is, or is expected to be, in "at risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4)(A) of the Code), (e) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan under Section 4041 or 4041(A) of ERISA, respectively, (f) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan under Section 4041 or 4041A of ERISA, respectively, or to appoint a trustee to administer any Plan, (g) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, (h) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV of ERISA, or in endangered or critical status, within the meaning of Section 305 of ERISA or (i) any Foreign Benefit Event.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Excess Cash Flow" means, for any fiscal year of the Borrower, the sum (without duplication) of:

(a) the Consolidated Net Income (or loss) of the Restricted Group for such fiscal year, adjusted to exclude (i) net income (or loss) of any consolidated Restricted Subsidiary that is not wholly owned by the Borrower to the extent such income or loss is attributable to the non-controlling interest in such consolidated Restricted Subsidiary and (ii) any non-cash gains (or non-cash losses) attributable to the sale or disposition of any asset of the Restricted Group outside the ordinary course of business to the extent included (or deducted) in calculating Consolidated Net Income; plus

(b) depreciation, amortization and other non-cash charges or losses deducted in determining such Consolidated Net Income (or loss) for such fiscal year; plus

(c) the sum (without duplication) of (i) the amount, if any, by which Net Working Capital decreased during such fiscal year (except as a result of the reclassification of items from short-term to long-term or vice-versa), (ii) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of the Restricted Group increased during such fiscal year and (iii) the net amount, if any, by which the consolidated accrued long-term asset accounts of the Restricted Group decreased during such fiscal year; minus

(d) the sum (without duplication) of (i) any non-cash gains included in determining such Consolidated Net Income (or loss) for such fiscal year, (ii) the amount, if any, by which Net Working Capital increased during such fiscal year (except as a result of the reclassification of items from long-term to short-term or vice-versa), (iii) the net amount, if any, by which the consolidated deferred revenues and other consolidated accrued long-term liability accounts of the Restricted Group decreased during such fiscal year and (iv) the net amount, if any, by which the consolidated accrued long-term asset accounts of the Restricted Group increased during such fiscal year; minus

(e) the sum (without duplication) of (i) Capital Expenditures made in cash for such fiscal year (and, at the Borrower's option (and without deducting such amounts against the subsequent fiscal year's Excess Cash Flow calculation), after the end of such fiscal year but prior to the date on which the prepayment pursuant to Section 2.11(d) for such fiscal year is required to have been made) (except to the extent attributable to the incurrence of Capital Lease Obligations or otherwise financed from Excluded Sources (other than Revolving Loans)) and (ii) cash consideration paid during such fiscal year to make acquisitions or other Investments (other than Permitted Investments) (except to the extent financed from Excluded Sources (other than Revolving Loans)); minus

(f) the aggregate principal amount of Indebtedness repaid or prepaid, payments of earn-out obligations and the principal component of payments in respect of Capital Lease Obligations, in each case by the Restricted Group during such fiscal year (and, at the Borrower's option (and without deducting such amounts against the subsequent fiscal year's Excess Cash Flow calculation), after the end of such fiscal year but prior to the date on which the prepayment pursuant to Section 2.11(d) for such fiscal year is required to have been made), excluding (i) Indebtedness in respect of Revolving Loans and Letters of Credit or other revolving credit facilities (unless there is a corresponding reduction in the Revolving Commitments or the commitments in respect of such other revolving credit facilities, as applicable), (ii) Term Loans voluntarily prepaid or prepaid pursuant to Section 2.11(c) or (d) and, to the extent Revolving Commitments are permanently reduced, Revolving Loans voluntarily prepaid, (iii) voluntary prepayments of other Indebtedness secured by the Collateral on a pari passu basis with the Obligations and (iv) repayments or prepayments of Indebtedness financed from Excluded Sources (other than Revolving Loans); minus

(g) the aggregate amount of Restricted Payments made in cash during such fiscal year in accordance with Sections 6.08(a)(v), 6.08(a)(vi), 6.08(a)(vii) and 6.08(a)(xii)(A) (and, at the Borrower's option (and without deducting such amounts against the subsequent fiscal year's Excess Cash Flow calculation), after the end of such fiscal year but prior to the date on which the prepayment pursuant to Section 2.11(d) for such fiscal year is required to have been made), except to the extent that such Restricted Payments (i) are made to fund expenditures that reduce Consolidated Net Income (or loss) of the Restricted Group or (ii) are financed from Excluded Sources; minus

(h) without duplication of amounts deducted from Excess Cash Flow in a prior period, the aggregate consideration required to be paid in cash by the Borrower and its Restricted Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period relating to acquisitions and other Investments (other than Permitted Investments) and Capital Expenditures and expected to be consummated or made during the period of 12 months following the end of such period (except, in each case, to the extent financed from Excluded Sources); provided that to the extent the aggregate amount of cash actually utilized to finance such acquisitions and other Investments (other than Permitted Investments) and Capital Expenditures during such following period of 12 months is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such period; minus

(i) the aggregate amount of any premium, make-whole or penalty payments that are paid in cash during such fiscal year in connection with any prepayment of Indebtedness, to the extent not deducted in determining such Consolidated Net Income (or loss) for such fiscal year; minus

(j) the aggregate amount of mandatory prepayments made pursuant to Section 2.11(c) (or any similar provision in the agreement governing any other Indebtedness secured by the Collateral on a pari passu basis) with the proceeds of any event described in clause (a) or (b) of the definition of "Prepayment Event" during such fiscal year to the extent such proceeds are included in the calculation of such Consolidated Net Income (or loss) for such fiscal year; minus

(k) the aggregate amount of deferred compensation paid in cash during such fiscal year; minus

(l) cash payments made during such fiscal year in respect of long-term liabilities (other than amounts covered by clause (f) above or excluded pursuant to subclauses (i)-(iv) of clause (f) above) of the Restricted Group to the extent such payments were not expensed during such period or are not deducted in determining Consolidated Net Income (or loss) for such fiscal year, except to the extent financed from Excluded Sources (other than Revolving Loans); minus

(m) cash expenditures in respect of Hedging Agreements during such period to the extent not deducted in arriving at such Consolidated Net Income; minus

(n) the amount of taxes (including penalties and interest) paid in cash or tax reserves set aside or payable (without duplication) in such period to the extent such amounts exceed the amount of tax expense deducted in determining Consolidated Net Income for such period.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended from time to time.

"Excluded Deposit Account" means (a) any deposit account the funds in which are used solely for the payment of salaries and wages, workers' compensation and similar expenses in the ordinary course of business, (b) any deposit account that is a zero-balance disbursement account, (c) any deposit account the funds in which consist solely of (i) funds held by the Borrower or any Restricted Subsidiary in trust for any director, officer or employee of the Borrower or any Restricted Subsidiary or any employee benefit plan maintained by the Borrower or any Restricted Subsidiary, (ii) funds representing deferred compensation for the directors and employees of the Borrower or any Restricted Subsidiary or (iii) funds held as part of escrow arrangements permitted under the terms of this Agreement and (d) any Government Receivables Account.

"Excluded Property" means all the following assets and property of any Loan Party: (i) all leasehold interests and any fee-owned real property other than Material Real Property (including requirements to deliver landlord waivers, estoppels and collateral access letters with respect to any real property, including Material Real Property); (ii) aircraft, rolling stock, motor vehicles and other assets subject to certificates of title, letter-of-credit rights (except to the extent perfection can be obtained by filing of Uniform Commercial Code financing statements) and commercial tort claims (x) for which a complaint or a counterclaim has not yet been filed in a court of competent jurisdiction or (y) reasonably expected to result in a judgment not in excess of $20,000,000; (iii) "margin stock" (within the meaning of Regulation U), and pledges and security interests prohibited by applicable law, rule or regulation; (iv) Equity Interests in (A) any Excluded Subsidiary of the type described in clauses (a), (b), (to the extent (1) requiring the consent of one or more third parties (other than the Borrower or any of its Subsidiaries or any director, officer or employee thereof), (2) triggering a right of first refusal or co-sale rights or similar rights of third parties or (3) prohibited by the terms of any applicable organizational documents, joint venture agreement or shareholder's agreement (provided that such requirement existed on the Effective Date or at the time of the acquisition of such Equity Interests and was not incurred in contemplation of the entry into this Agreement or the acquisition of such Equity Interests (it being understood that the foregoing shall not be construed to prohibit customary provisions in joint venture agreements)), (d), (e) or (h) of the definition thereof or (B) any Person other than wholly owned Subsidiaries to the extent (1) requiring the consent of one or more third parties (other than the Borrower or any of its Subsidiaries or any director, officer or employee thereof), (2) triggering a right of first refusal or co-sale rights or similar rights of third parties or (3) the pledge thereof is not permitted or would require the consent of a third party by the terms of such Person's organizational documents, joint venture documents or similar contractual obligations; (v) assets to the extent a security interest in such assets would result in material adverse tax consequences to the Borrower or any of its Subsidiaries (as reasonably determined in good faith by the Borrower in its reasonable judgment in consultation with the Administrative Agent); (vi) rights, title or interest in any lease, license, sublicense or other agreement or in any equipment or property subject to a purchase money security interest, capitalized lease obligation or similar

arrangement to the extent that a grant of a security interest therein would violate or invalidate such lease, license, sublicense or agreement or purchase money arrangement, capitalized lease obligation or similar arrangement or require the consent of any Person or create a right of termination in favor of any other party thereto (other than a Loan Party or any of its subsidiaries) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or equivalent law, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code or equivalent law notwithstanding such prohibition; (vii) assets a pledge of which (A) is prohibited by applicable law, rule or regulation or would require governmental (including regulatory) consent, approval, license or authorization or (B) is contractually prohibited on the Effective Date or the date of acquisition of such asset (or on the date an Excluded Subsidiary becomes a Loan Party by guaranteeing the Obligations), so long as such prohibition is not created in contemplation of such transaction, and unless such consent, approval, license or authorization has been received, in each case, after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code and other applicable requirements of law; (viii) any (A) intent-to-use trademark application filed in the United States Patent and Trademark Office pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. Section 1051, prior to the accepted filing of a "Statement of Use" and issuance of a "Certificate of Registration" pursuant to Section 1(d) of the Lanham Act or an accepted filing of an "Amendment to Allege Use" whereby such intent-to-use trademark application is converted to a "use in commerce" application pursuant to Section 1(c) of the Lanham Act or (B) other IP Rights in any jurisdiction where such pledge or security interest would cause the invalidation or abandonment of such IP Rights under applicable law; (ix) accounts primarily holding funds received from insurance companies in connection with the third party claims of management and handling business of the Borrower and the Restricted Subsidiaries (together with the funds held in such accounts); (x) Excluded Deposit Accounts; (xi) Excluded Securities Accounts; (xii) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in favor of the Administrative Agent in such licenses, franchises, charters or authorizations are prohibited or restricted thereby or under applicable law, after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code and other applicable requirements of law; provided that in the event of the termination or elimination of any such prohibition or restriction contained in any applicable license, franchise, charter or authorization or applicable law, a security interest in such licenses, franchises, charters or authorizations shall be automatically and simultaneously granted under the applicable Security Documents and such license, franchise, charter or authorization shall be included as Collateral; (xiii) assets or rights (including IP Rights) located in, protected, registered, applied for or arising under the laws of any jurisdiction outside of the United States owned by the Loan Parties (but excluding assets owned by a Loan Party organized under the laws of the United States in which a security interest can be perfected by the filing of a Uniform Commercial Code financing statement or by delivery of certificates evidencing Equity Interests); (xiv) (A) voting Equity Interests in excess of 65% of the issued and outstanding voting Equity Interests and (B) to the extent such pledge would result in material adverse tax consequences (as determined by the Borrower in its reasonable judgment in consultation with the Administrative Agent), non-

voting Equity Interests in excess of 65% of the issued and outstanding non-voting Equity Interests, in each case of any Foreign Subsidiary or any Foreign Subsidiary Holding Company, (xv) cash and Permitted Investments securing Hedging Agreements in the ordinary course of business submitted for clearing in accordance with applicable Requirements of Law and (xvi) those assets as to which the Administrative Agent and the Borrower reasonably agree that the cost or other consequences of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby.

"Excluded Refinanced Debt" has the meaning assigned to such term in the definition of "Refinancing Indebtedness".

"Excluded Securities Account" means (a) any securities account the funds in which are used solely for the payment of salaries and wages, workers' compensation and similar expenses in the ordinary course of business and (b) any securities account the funds or assets in which consist solely of (i) funds or assets held by the Borrower or any Restricted Subsidiary in trust for any director, officer or employee of the Borrower or any Restricted Subsidiary or any employee benefit plan maintained by the Borrower or any Restricted Subsidiary, (ii) funds or assets representing deferred compensation for the directors and employees of the Borrower or any Restricted Subsidiary, (iii) funds held as a part of escrow arrangements to the extent permitted under the terms of this Agreement, or (iv) any Government Receivables Account.

"Excluded Sources" means (a) proceeds of any incurrence or issuance of Long-Term Indebtedness or Capital Lease Obligations and (b) proceeds of any issuance or sale of Equity Interests in any member of the Restricted Group (other than issuances or sales of Equity Interests to a member of the Restricted Group) or any capital contributions to any member of the Restricted Group (other than any capital contributions made by a member of the Restricted Group).

"Excluded Subsidiary" means (a) (i) as of the Effective Date, each Subsidiary specified in Schedule 1.05 and (ii) each Subsidiary designated by the Borrower for the purpose of this clause (a) from time to time, for so long as any such Subsidiary does not constitute a Material Subsidiary as of the most recently ended four fiscal quarters of the Borrower; provided that if such Subsidiary would constitute a Material Subsidiary as of the end of such four fiscal quarter period, the Borrower shall cause such Subsidiary to become a Loan Party pursuant to Section 5.12, (b) each Subsidiary that is not a wholly owned Subsidiary or otherwise constitutes a joint venture (for so long as such Subsidiary remains a non-wholly owned Subsidiary or joint venture), (c) each Subsidiary that is prohibited by any applicable law, regulation or contract to provide the Guarantee required by the Collateral and Guarantee Requirement (so long as any such contractual restriction is not incurred in contemplation of such Person becoming a Subsidiary) (unless such prohibition is removed or any necessary consent, approval, waiver or authorization has been received), or would require governmental (including regulatory) consent, approval, license or authorization to provide such Guarantee, unless such consent, approval, license

or authorization has been received (and for so long as such restriction or any replacement or renewal thereof is in effect), (d) each Unrestricted Subsidiary, (e) any special purpose entity (including any Receivables Entity) or broker-dealer entity, (f) any Subsidiary to the extent that the guarantee of the Obligations by such entity would result in material adverse tax or accounting consequences (as reasonably determined in good faith by the Borrower in consultation with the Administrative Agent), (g) any Captive Insurance Subsidiary, (h) any non-profit Subsidiary, (i) any Subsidiary of the Borrower that is, or would become as a result of providing the Guarantee required by the Collateral and Guarantee Requirement, an "investment company" as defined in, or subject to regulation under, the Investment Company Act, (j) any Foreign Subsidiary or Foreign Subsidiary Holding Company, (k) any Restricted Subsidiary acquired pursuant to an acquisition permitted hereunder and financed with Indebtedness permitted to be incurred hereunder as assumed Indebtedness and any Restricted Subsidiary thereof that was a subsidiary prior to such acquisition that guarantees such Indebtedness, in each case, to the extent and so long as such Indebtedness prohibits such subsidiary providing a guarantee and such prohibition is not created in contemplation of such acquisition or of becoming a Restricted Subsidiary or (l) any other Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, the cost, burden, difficulty or other consequence of guaranteeing the Obligations shall be excessive in view of the benefits to be obtained by the Secured Parties therefrom.

"Excluded Swap Guarantor" means any Loan Party all or a portion of whose Guarantee of, or grant of a security interest to secure, any Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof).

"Excluded Swap Obligations" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Loan Party or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b) or 9.02(c)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any withholding Taxes imposed under FATCA.

"Existing Letters of Credit" means those certain letters of credit, bank guarantees or similar instruments (if any) issued prior to the Closing Date, in effect on, the Closing Date, and listed on Schedule 1.04 delivered not less than three Business Days prior to the Closing Date.

"Existing Maturity Date" has the meaning assigned to such term in Section 2.22(a).

"Existing Revolving Borrowings" has the meaning assigned to such term in Section 2.21(d).

"Extension Effective Date" has the meaning assigned to such term in Section 2.22(a).

"Fair Market Value" or "fair market value" means, with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time taking into account the nature and characteristics of such asset, as reasonably determined by the Borrower in good faith.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention entered into in connection with the implementation of such Sections of the Code (or any such amended or successor version thereof).

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Financial Officer" means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person, or any other officer of such Person performing the duties that are customarily performed by a chief financial officer, principal accounting officer, treasurer or controller and with respect to limited liability companies that do not have officers, the manager, sole member, managing member or general partner thereof, the chief financial officer, principal accounting officer, treasurer, assistant treasurer or controller of such Person, or any other officer of such Person performing the duties that are customarily performed by a chief financial officer, principal accounting officer, treasurer or controller. For purposes of Borrowing Requests and Interest Election Requests, "Financial Officer" shall include any assistant treasurer, assistant controller or other authorized signatory of such Person who has been designated in writing to the Administrative Agent as a "Financial Officer" by the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"Fixed Amounts" has the meaning specified in Section 1.08.

"Flood Insurance Laws" means, collectively, (i) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (ii) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (iii) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR, as applicable. For the avoidance of doubt the initial Floor for each of Adjusted Term SOFR Rate or the Adjusted Daily Simple SOFR shall be 0.00%.

"Foreign Benefit Event" means, with respect to any Foreign Pension Plan, (a) the failure to make or, if applicable, accrue in accordance with GAAP, any employer or employee contributions under Requirements of Law or by the terms of such Foreign Pension Plan; (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Pension Plan required to be registered; (c) the failure of any Foreign Pension Plan to comply with any material Requirements of Law or with the material terms of such Foreign Pension Plan; or (d) the receipt of a notice by a Governmental Authority relating to the intention to terminate any such Foreign Pension

Plan or to appoint a trustee or similar official to administer any such Foreign Pension Plan, or alleging the insolvency of any such Foreign Pension Plan, in each case, which would reasonably be expected to result in the Borrower or any Restricted Subsidiary becoming subject to a material funding or contribution obligation with respect to such Foreign Pension Plan.

"Foreign Lender" means a Lender that is not a U.S. Person for U.S. federal income tax purposes.

"Foreign Pension Plan" means any defined benefit pension plan, trust, insurance contract, fund (including, without limitation, any superannuation fund) or other similar program established or maintained by the Borrower or any one or more of its Restricted Subsidiaries primarily for the benefit of employees or other service providers of the Borrower or such Restricted Subsidiaries, as applicable, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, in each case which are funded by the Borrower or one or more Restricted Subsidiaries, and which plan is not subject to ERISA or the Code.

"Foreign Prepayment Event" has the meaning assigned to such term in Section 2.11(e).

"Foreign Subsidiary" means each Subsidiary that is not a U.S. Subsidiary.

"Foreign Subsidiary Holding Company" means any U.S. Subsidiary that has no material assets other than Equity Interests (or Equity Interests and/or debt) of one or more Foreign Subsidiaries or other Foreign Subsidiary Holding Companies.

"Form 10" means the Effective Date Form 10, as amended, supplemented or otherwise modified in a manner not materially adverse to the rights or interests of the Lenders or made with prior written approval of the Administrative Agent; provided, however, that any such amendments, supplements or modifications shall not be deemed to be materially adverse to the rights or interests of the Lenders if (a) relating to the inclusion of information for which there are placeholders in the Effective Date Form 10, such as the distribution ratio and the distribution and record dates or (b) relate to, or constitute the inclusion of, the exhibits to be filed with the Form 10.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect from time to time; provided, however, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

"Global Intercompany Note" means the global intercompany note substantially in the form of Exhibit F pursuant to which intercompany obligations and advances owed by any Loan Party are subordinated to the Obligations.

"Government Receivable" means any Receivable that, consistent with the past accounting practices of the Loan Parties and their subsidiaries, is initially classified as a Medicare Receivable, Medicaid Receivable, Medicare Advantage Receivable or other government Receivable.

"Government Receivables Account" means an account maintained by a Loan Party and used solely for receipt of Government Receivables.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether State or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational bodies exercising such powers or functions, such as the European Union or the European Central Bank).

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation payable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount, as of any date of determination, of any Guarantee shall be the principal amount outstanding on such date of the Indebtedness or other obligation guaranteed thereby (or, in the case of (i) any Guarantee the terms of which limit the monetary exposure of the guarantor or (ii) any Guarantee of an obligation that does not have a principal amount, the maximum monetary exposure as of such date of the guarantor under such Guarantee (as determined, in the case of clause (i), pursuant to such terms or, in the case of clause (ii), reasonably and in good faith by a Financial Officer of the Borrower)). The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantee Agreement" means the Guarantee Agreement dated as of the Closing Date, by and among the Administrative Agent and the Loan Parties from time to time party thereto, substantially in the form of Exhibit E, as may be amended, restated, amended and restated, supplemented or modified from time to time.

"Hazardous Materials" means all explosive, radioactive, hazardous or toxic substances, materials, wastes or other pollutants, including petroleum or petroleum by-products or distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, chlorofluorocarbons and other ozone-depleting substances or mold, or any or materials or substances which are defined or regulated as "toxic," or "hazardous," or words of similar import, pursuant to any Environmental Law.

"Hedging Agreement" means any agreement with respect to any swap, forward, future or derivative transaction, or any option or similar agreement, involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of the foregoing transactions; provided that "Hedging Agreement" shall not include (i) phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of any member of the Restricted Group, (ii) any accelerated share repurchase contract, share call option or similar contract with respect to the Borrower's Equity Interests entered into to consummate a repurchase of such Equity Interests, (iii) any forward sale contract with respect to the Borrower's Equity Interests or (iv) put and call options and forward arrangements entered into in connection with joint ventures and other business investments, acquisitions and dispositions permitted under this Agreement.

"Incremental Extensions of Credit" has the meaning assigned to such term in Section 2.21(a).

"Incremental Facilities" has the meaning assigned to such term in Section 2.21(a).

"Incremental Facility Amendment" has the meaning assigned to such term in Section 2.21(c).

"Incremental Prepayment Basket" has the meaning assigned to such term in Section 2.21(a).

"Incremental Ratio Basket" has the meaning assigned to such term in Section 2.21(a).

"Incremental Starter Basket" has the meaning assigned to such term in Section 2.21(a).

"Incremental Term Loans" has the meaning assigned to such term in Section 2.21(a).

"Incurrence-Based Amounts" has the meaning specified in Section 1.08.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person in respect of securitization financing, including any Permitted Receivables Facility, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (x) trade accounts payable and other accrued or cash management obligations, in each case incurred in the ordinary course of business, (y) any earn-out obligation unless such obligation is not paid promptly after becoming due and payable and (z) Taxes and other accrued expenses), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) net obligations of such Person under any Hedging Agreement and (l) all Disqualified Equity Interests in such Person, valued, as of the date of determination, at the greater of (i) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable) and (ii) the maximum liquidation preference of such Disqualified Equity Interests; provided that the term "Indebtedness" shall not include (A) deferred or prepaid revenue, (B) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty, indemnity or other unperformed obligations of the seller, (C) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (D) obligations in respect of any residual value guarantees on equipment leases, (E) any take-or-pay or similar obligation to the extent such obligation is not shown as a liability on the balance sheet of such Person in accordance with GAAP and (F) asset retirement obligations and obligations in respect of reclamation and workers' compensation (including pensions and retiree medical care). The amount of Indebtedness of any Person for purposes of clause (f) above shall (unless such Indebtedness has been assumed by such Person or such Person has otherwise become liable for the payment thereof) be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under this Agreement or any other Loan Document and (b) to the extent not otherwise described in clause (a) of this definition, Other Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Initial Term Lender" means a Term Lender with a Commitment to make Initial Term Loans or an outstanding Initial Term Loan.

"Initial Term Loans" means the Term Loans made on the Closing Date.

"Intellectual Property Matters Agreement" means the Intellectual Property Matters Agreement between Zimmer and the Borrower, to be dated on or prior to the Distribution Date.

"Intellectual Property Security Agreements" has the meaning assigned to such term in the Collateral Agreement.

"Interest Election Request" means a request by the Borrower to convert or continue a Revolving Borrowing or Term Borrowing in accordance with Section 2.07, which shall be in a form approved by the Administrative Agent and otherwise consistent with the requirements of Section 2.07.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December and the Maturity Date, (b) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

"Interest Period" means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (or any other period if, at the time of the relevant Borrowing, all Lenders participating therein agree to make an interest period of such duration available), in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to

Section 2.14(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Investment Company Act" means the United States Investment Company Act of 1940, as amended from time to time.

"Investments" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. The amount, as of any date of determination, of (a) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date, minus any principal repayment of such Investment and any cash payments actually received by such investor representing interest in respect of such Investment (to the extent any such payment to be deducted does not exceed the remaining principal amount of such Investment and without duplication of amounts increasing Investment capacity under this Agreement), but without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (b) any Investment in the form of a Guarantee shall be equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof, as determined in good faith by a financial officer, (c) any Investment in the form of a transfer of Equity Interests or other non-cash property by the investor to the investee, including any such transfer in the form of a capital contribution, shall be the fair market value (as determined in good faith by a Financial Officer) of such Equity Interests or other property as of the time of the transfer, minus any payments actually received by such investor representing a return of capital of, or dividends or other distributions in respect of, such Investment (to the extent such payments do not exceed, in the aggregate, the original amount of such Investment and without duplication of amounts increasing Investment capacity under this Agreement), but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, and (d) any Investment (other than any Investment referred to in clause (a), (b) or (c) above) by the specified Person in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness or other securities of any other Person shall be the original cost of such Investment (including any Indebtedness assumed in connection therewith), plus (i) the cost of all additions thereto and minus (ii) the amount of any portion of such Investment that has been repaid to the investor in cash as a repayment of principal or a return of capital,

and of any cash payments actually received by such investor representing interest, dividends or other distributions in respect of such Investment (to the extent the amounts referred to in clause (ii) do not, in the aggregate, exceed the original cost of such Investment plus the costs of additions thereto and without duplication of amounts increasing the Investment capacity under this Agreement), but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment. If an Investment involves the acquisition of more than one Person, the amount of such Investment shall be allocated among the acquired Persons in accordance with GAAP; provided that pending the final determination of the amounts to be so allocated in accordance with GAAP, such allocation shall be as reasonably determined by a Financial Officer.

"IP Rights" means Trademarks, domain names, Copyrights, rights in software, Patents, trade secrets, database rights, design rights and any and all other intellectual property or similar proprietary rights throughout the world and all registrations and applications for registrations therefor.

"IRS" means the United States Internal Revenue Service.

"Issuing Banks" means (a) JPMorgan, (b) each of the Revolving Lenders identified as Issuing Banks on Schedule 2.01, (c) each Revolving Lender that shall have become an Issuing Bank hereunder as provided in Section 2.05(j) (other than any Person that shall have ceased to be an Issuing Bank as provided in Section 2.05(k)) and (d) solely with respect to any Existing Letters of Credit, each Revolving Lender (or an Affiliate thereof that shall have executed and delivered a signature page to this Agreement as an Issuing Bank with respect to such Existing Letters of Credit) that is an issuer thereof as listed on Schedule 1.04, each in its capacity as an issuer of Letters of Credit hereunder. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"JPMorgan" means JPMorgan Chase Bank, N.A.

"Judgment Currency" has the meaning assigned to such term in Section 9.19.

"Latest Maturity Date" means, at any time, the latest of the Maturity Dates in respect of the Classes of Loans and Commitments that are outstanding at such time.

"LC Commitment" means, with respect to an Issuing Bank, the aggregate maximum amount of Letters of Credit at any time outstanding that it will be required to issue hereunder. The LC Commitment of each Issuing Bank existing on the Effective Date is set forth with respect to such Issuing Bank on Schedule 2.01 hereto, and the LC Commitment of each Lender designated as an Issuing Bank after the Effective Date will be specified in the agreement with respect to such designation contemplated by Section 2.05(j). The LC Commitment of any Issuing Bank may be increased or reduced by written agreement between such Issuing Bank and the Borrower, provided that a copy of such written agreement shall have been delivered to the Administrative Agent.

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time and (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Lender at any time shall be such Lender's Applicable Percentage of the aggregate LC Exposure at such time, adjusted to give effect to any reallocation under Section 2.20(d) of the LC Exposure of Defaulting Lenders in effect at such time.

"LC Sublimit" means an amount equal to $20,000,000.

"LCT Election" means the Borrower's election to test the permissibility of a Limited Condition Transaction in accordance with the methodology set forth in Section 1.07.

"LCT Test Date" has the meaning specified in Section 1.07.

"Lender Presentation" means that certain lender presentation delivered by the Borrower to the Administrative Agent on November 23, 2021.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, an Incremental Facility Amendment or a Refinancing Facility Agreement, other than any such Person that shall have ceased to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender and the Issuing Banks.

"Letters of Credit" means any letter of credit (or with respect to any Issuing Bank, any bank guarantee (or similar instrument) as such Issuing Bank may in its sole discretion approve) issued pursuant to this Agreement by an Issuing Bank under the Revolving Commitments and shall include any Existing Letter of Credit (which shall be deemed issued hereunder on the Closing Date), other than any such letter of credit that shall have ceased to be a "Letter of Credit" outstanding hereunder pursuant to Section 9.05.

"Liabilities" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

"Lien" means, with respect to any asset, (a) any mortgage, lien, pledge, hypothecation, charge, security interest or other encumbrance in, on or of such asset or (b) the interest of a vendor or a lessor under any conditional sale agreement or title retention agreement (or any capital lease or financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; provided that in no event shall an operating lease be deemed to constitute a Lien.

"Limited Condition Transaction" means (i) any acquisition of any assets, business or person, or a merger or consolidation, in each case involving third parties, or similar Investment permitted hereunder (subject to Section 1.07) by the Borrower or one or more of the Restricted Subsidiaries, including by way of merger or amalgamation, whose consummation is not conditioned on the availability of, or on obtaining, third party financing (or, if such condition does exist, the Borrower or any Restricted Subsidiary, as applicable, would be required to pay any fee, liquidated damages or other amount or be subject to any indemnity, claim or other liability as a result of such third party financing not having been available or obtained) or (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

"Loan Document Obligations" means (a) the due and punctual payment by the Borrower of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Borrower under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral and (iii) all other monetary obligations of the Borrower under this Agreement and each of the other Loan Documents, including obligations to pay fees, expense reimbursement obligations (including with respect to attorneys' fees) and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) and (b) the due and punctual payment of all the obligations of each other Loan Party under or pursuant to each of the Loan Documents (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

"Loan Documents" means this Agreement, any Incremental Facility Amendment, any Refinancing Facility Agreement, any Security Document, any Acceptable Intercreditor Agreement, any agreement designating an additional Issuing Bank as contemplated by Section 2.05(j) and, except for purposes of Section 9.02, the Global Intercompany Note and any promissory notes delivered pursuant to Section 2.09(d) (and, in each case, any amendment, restatement, waiver, supplement or other modification to any of the foregoing) and any document designated as a Loan Document by the Administrative Agent and the Borrower.

"Loan Parties" means, collectively, the Borrower and each Subsidiary that guarantees any Obligations or is a party to any Security Document.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement, including pursuant to any Incremental Facility Amendment or any Refinancing Facility Agreement.

"Long-Term Indebtedness" means any Indebtedness (excluding Indebtedness permitted by Section 6.01(a)(iv)) that, in accordance with GAAP, constitutes (or, when incurred, constituted) a long-term liability.

"Majority in Interest", when used in reference to Lenders of any Class, means, at any time, (a) in the case of the Revolving Lenders, Lenders having Revolving Exposures and unused Revolving Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure and the unused Aggregate Revolving Commitment at such time and (b) in the case of the Term Lenders of any Class, Lenders holding outstanding Term Loans of such Class representing more than 50% of the aggregate principal amount of all Term Loans of such Class outstanding at such time; provided that whenever there are one or more Defaulting Lenders, the total outstanding Term Loans and Revolving Exposures of, and the unused Commitments of, each Defaulting Lender of any Class shall be excluded for purposes of making a determination of Majority in Interest.

"Manufacturing and Supply Agreement" means the Manufacturing and Supply Agreement between the Borrower and Zimmer to be dated on or prior to the Distribution Date.

"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition or results of operations of the Borrower and the Restricted Subsidiaries, taken as a whole, (b) the ability of the Loan Parties (taken as a whole) to perform their material obligations to the Lenders or the Administrative Agent under this Agreement or any other Loan Document or (c) the material rights of, or remedies available to, the Administrative Agent or the Lenders under this Agreement or any other Loan Document.

"Material Indebtedness" means Indebtedness (other than the Loans, the Letters of Credit and the Guarantees under the Loan Documents), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and the Restricted Subsidiaries in an aggregate principal amount exceeding $50,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Restricted Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Restricted Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Material Real Property" means (a) as of the Effective Date, each fee-owned real property specified in Schedule 1.02 and (b) after the Effective Date, any fee- owned real property with a Fair Market Value of more than $7,500,000 that is acquired after the Effective Date by any Loan Party or owned by a Subsidiary that becomes a Loan Party pursuant to Section 5.12; provided that, in the absence of an appraisal (without requirement of delivery of an appraisal or other third party valuation), the book value of such real property may be used for the Fair Market Value of such real property.

"Material Subsidiary" means each Restricted Subsidiary (a) the Consolidated Total Assets of which equal 5.0% or more of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries or (b) the consolidated revenues of which equal 5.0% or more of the consolidated revenues of the Borrower and the Restricted Subsidiaries, in each case as of the end of the for the most recently ended Test Period; provided that if, at the end of the for the most recently ended Test Period, the combined Consolidated Total Assets or combined consolidated revenues of all Restricted Subsidiaries that under clauses (a) and (b) above would not constitute Material Subsidiaries (not including any Restricted Subsidiary that constitutes an Excluded Subsidiary pursuant to another clause other than clause (a) of the definition of "Excluded Subsidiary") shall have exceeded 7.5% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries or 7.5% of the consolidated revenues of the Borrower and the Restricted Subsidiaries, respectively, then one or more of such excluded Restricted Subsidiaries shall for all purposes of this Agreement be designated by the Borrower to be Material Subsidiaries, until such excess shall have been eliminated.

"Maturity Date" means the Revolving Maturity Date, the Term Maturity Date or the maturity date with respect to any Class of Incremental Term Loans or Refinancing Term Loans, as the context requires (or if such date is not a Business Day, the immediately preceding Business Day).

"Maturity Date Extension Request" means a request by the Borrower, substantially in the form of Exhibit I hereto or such other form as shall be approved by the Administrative Agent, for the extension of the applicable Maturity Date pursuant to Section 2.22.

"Maximum Rate" has the meaning assigned to such term in Section 9.13.

"Medicaid" means that means-tested entitlement program under Title XIX of the Social Security Act, which provides federal grants to states for medical assistance based on specific eligibility criteria, as set forth at Section 1396, *et seq.* of Title 42 of the United States Code, as the same may be amended, and any successor law in respect thereof.

"Medicaid Receivable" means any Receivable with respect to which the obligor is a state or, to the extent provided by any Requirement of Law, the United States acting through a state's Medicaid agency that arises out of charges reimbursable to any Loan Party or any Restricted Subsidiary under Medicaid.

"Medical Reimbursement Programs" means a collective reference to the Medicare, Medicaid and TRICARE programs, and any other health care programs operated by or financed in whole or in part by any foreign or domestic federal, state or local government, and all private insurance plans, managed care plans, health maintenance organizations, and all other non-government funded programs in which any Loan Party or any Restricted Subsidiary participates, including, without limitation, Blue Cross/Blue Shield, private insurance companies, health maintenance organizations, preferred provider organizations, alternative delivery systems, managed care systems, government contracting agencies and other third-party payors.

"Medicare" means that government-sponsored entitlement program under Title XVIII of the Social Security Act, which provides for a health insurance system for eligible elderly and disabled individuals, as set forth at Section 1395, *et seq.* of Title 42 of the United States Code, as the same may be amended, and any successor law in respect thereof.

"Medicare Advantage Receivable" means a Receivable under that government-sponsored entitlement program under Title XVIII of the Social Security Act, which provides for a health insurance system for eligible elderly and disabled individuals, that is managed by a contracted managed health care entity pursuant to a contract between the CMS and such managed health care entity, as set forth at Section 1395, *et seq.* of Title 42 of the United States Code, as the same may be amended, and any successor in law in respect thereof.

"Medicare Receivable" means any Receivable with respect to which the obligor is the United States that arises out of charges reimbursable to any Loan Party or any Restricted Subsidiary under Medicare.

"MNPI" means material information concerning the Borrower, any Subsidiary or any Affiliate of any of the foregoing or their respective securities that has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act and the Exchange Act. For purposes of this definition, "material information" means information concerning the Borrower, the Subsidiaries or any Affiliate of any of the foregoing or any of their respective securities that could reasonably be expected to be material for purposes of the United States Federal and State securities laws and, where applicable, foreign securities laws.

"Moody's" means Moody's Investors Service, Inc., and any successor to its rating agency business.

"Mortgage" means a mortgage, deed of trust or other security document granting a Lien on any Mortgaged Property owned by a Loan Party to secure the Obligations. Each Mortgage shall be reasonably satisfactory in form and substance to the Administrative Agent.

"Mortgaged Property" means, as of the Effective Date, each parcel of Material Real Property identified on Schedule 1.02 and, thereafter, shall also include each parcel of Material Real Property with respect to which a Mortgage is required to be granted pursuant to Section 5.12, 5.13 or 5.15, as applicable.

"Multiemployer Plan" means a "multiemployer plan", as defined in Section 4001(a)(3) of ERISA, and in respect of which the Borrower or any of its ERISA Affiliates makes or is obligated to make contributions or with respect to which any of them has any ongoing obligation or liability, contingent or otherwise.

"Net Proceeds" means, with respect to any event, (a) the cash proceeds received in respect of such event, including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or earnout, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, minus (b) the sum, without duplication, of (i) all fees and out-of-pocket expenses paid in connection with such event by the Restricted Group (including attorney's fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, underwriting discounts and commissions, other customary expenses and brokerage, consultant, accountant and other customary fees), (ii) in the case of a sale, transfer, lease or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), (x) the amount of all payments that are permitted hereunder and are made by the Restricted Group as a result of such event to repay Indebtedness (other than the Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event, (y) the pro rata portion of net cash proceeds thereof attributable to minority interests and not available for distribution to or for the account of the Borrower and the Restricted Subsidiaries as a result thereof and (z) the amount of any liabilities directly associated with such asset and retained by the Borrower or any Restricted Subsidiary and including pension and other post-employment benefit liabilities and liabilities related to environmental matters, and (iii) the amount of all taxes paid (or reasonably estimated to be payable), and the amount of any reserves established in accordance with GAAP to fund purchase price adjustment, indemnification and other liabilities (other than any earnout obligations, but including pension and other post-employment benefit liabilities and liabilities related to environmental matters) reasonably estimated to be payable, as a result of the occurrence of such event (including, without duplication of the foregoing, the amount of any distributions in respect thereof pursuant to Section 6.08(a)(xv)) (as determined reasonably and in good faith by a Financial Officer of the Borrower). For purposes of this definition, in the event any contingent liability reserve established with respect to any event as described in clause (b)(iii) above shall be reduced, the amount of such reduction shall, except to the extent such reduction is made as a result of a payment having been made in respect of the contingent liabilities with respect to which such reserve has been established, be deemed to be receipt, on the date of such reduction, of cash proceeds in respect of such event.

"Net Proceeds Prepayment Amount" has the meaning specified in Section 2.11(c).

"Net Working Capital" means, at any date, (a) the consolidated current assets of the Restricted Group as of such date (excluding cash and Permitted Investments) minus (b) the consolidated current liabilities of the Restricted Group as of such date (excluding current liabilities in respect of Indebtedness). Net Working Capital at any date may be a positive or negative number. Net Working Capital increases when it becomes more positive or less negative and decreases when it becomes less positive or more negative.

"Non-Consenting Lender" means a Lender whose consent to a Proposed Change is not obtained.

"Non-Guarantor Debt Basket" means a shared basket in an amount not to exceed the greater of $28,000,000 and 20% of Consolidated EBITDA for the most recently ended Test Period at any time outstanding that may be used for (A) the incurrence of certain Indebtedness by Restricted Subsidiaries that are not Loan Parties under Sections 6.01(a)(xii), 6.01(a)(xix) and 6.01(a)(xx) and (B) Secured Cash Management Obligations of any Restricted Subsidiary that is not a Loan Party.

"Non-Guarantor Investment Basket" means a shared basket in an amount not to exceed the greater of $28,000,000 and 20% of Consolidated EBITDA for the most recently ended Test Period at any time outstanding that may be used for (A) certain Investments permitted under Sections 6.04(b), 6.04(e), 6.04(f), 6.04(g) and 6.04(r) and (B) certain Guarantees permitted under Section 6.04(g) (without duplication of amounts previously included or utilized under clause (A) above); provided that the Non-Guarantor Investment Basket shall be deemed increased on a dollar-for-dollar basis by the amount of any distributions, returns of capital and repayments made in cash by Restricted Subsidiaries that are not Loan Parties to Loan Parties in respect of Investments of the Loan Parties in Restricted Subsidiaries that are not Loan Parties (x) existing as of the Closing Date and (y) made after the Closing Date, in each case up to the original amount of such Investment, and without duplication of any amount deducted from the calculation of Investments or applied to increase Investment capacity under this Agreement.

"Non-Loan Party Restricted Subsidiary" means a Restricted Subsidiary that is not a Loan Party.

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations" means, collectively, (a) all the Loan Document Obligations, (b) all the Secured Cash Management Obligations and (c) all the Secured Hedging Obligations. For the avoidance of doubt, Obligations shall not include any Excluded Swap Obligations.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Other Connection Tax" means, with respect to any Recipient, a Tax imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any other Loan Document, or sold or assigned an interest in this Agreement or any other Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19(b)).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Palm Beach Gardens Facility" means the facility located at 4555 Riverside Drive, Palm Beach Gardens, FL 33410 and 4600 East Park Drive, Palm Beach Gardens, FL 33410.

"Palm Beach Gardens Facility Sale Leaseback" means a sale and leaseback transaction occurring after the Closing Date with respect to the Palm Beach Gardens Facility where the Borrower or one of its subsidiaries sells the Palm Beach Gardens Facility and then rents or leases the Palm Beach Gardens Facility for substantially the same use from the purchaser.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Patents" has the meaning assigned to such term in the Collateral Agreement.

"Patient" means, on any date, any natural person for whom any items or services have been provided or performed prior to such date by any Loan Party or any Restricted Subsidiary, including, without limitation, health care items or services.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Perfection Certificate" means a certificate in the form of Exhibit D or any other form approved by the Administrative Agent.

"Permitted Encumbrances" means, with respect to any Person:

(a) Liens imposed by law for Taxes, assessments or governmental charges that (i) are not yet overdue for a period of more than 30 days or not subject to penalties for nonpayment, (ii) are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP or (iii) for property taxes on property such Person or one of its subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge, levy or claim is to such property;

(b) Liens with respect to outstanding motor vehicle fines and carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlords', construction contractors' and other like Liens imposed by law or landlord liens specifically created by contract, arising in the ordinary course of business and securing obligations that are not overdue by more than 45 days or are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP or other Liens arising out of or securing judgments or awards against such Person with respect to which such Person shall be proceeding with an appeal or other proceedings for review if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(c) pledges and deposits made (i) in the ordinary course of business in compliance with workers' compensation, unemployment insurance, health, disability or employee benefits and other social security laws or similar legislation or regulations and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of the Borrower or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (i) above;

(d) pledges and deposits made (i) to secure the performance of bids, tenders, trade contracts (other than for payment of Indebtedness), governmental contracts, leases (other than Capital Lease Obligations), public or statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations), in each case in the ordinary course of business and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of the Borrower or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (i) above;

(e) judgment and attachment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Section 7.01 and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(f) easements, survey exceptions, charges, ground leases, protrusions, encroachments on use of real property or reservations of, or rights of others for, licenses, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines and other similar purposes, any zoning, building or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property, servicing agreements, site plan agreements, developments agreements, contract zoning agreements, subdivision agreements, facilities sharing agreements, cost sharing agreements and other agreements pertaining to the use or development of any of the real property of the Borrower and the Restricted Subsidiaries, restrictions, rights-of-way and similar encumbrances (including, without limitation, minor defects or irregularities in title and similar encumbrance) on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not individually or in the aggregate materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary, leases, subleases, licenses, sublicenses, occupancy agreements or assignments of or in respect of real or personal property, or which are set forth in the title insurance policy delivered with respect to the Mortgaged Property and are “insured over” in such insurance policy;

(g) [reserved];

(h) banker’s liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; provided that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness;

(i) Liens arising by virtue of Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases, accounts or consignments entered into by the Borrower and the Restricted Subsidiaries or purported Liens evidenced by filings of precautionary Uniform Commercial Code (or similar filings under applicable law) financing statements or similar public filings;

(j) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 (or the applicable corresponding section) of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(k) (i) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property or rights (other than IP Rights) subject to any lease, sublease, license or sublicense or concession agreement held by the Borrower or any Restricted Subsidiary in the ordinary course of business and (ii) deposits of cash with the owner or lessor of premises leased and operated by the Borrower or any of its Subsidiaries in the ordinary course of business of the Borrower and such Subsidiary to secure the performance of the Borrower's or such Subsidiary's obligations under the terms of the lease for such premises;

(l) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(m) Liens that are contractual rights of set-off;

(n) Liens (i) of a collection bank arising under Section 4-208 of the New York Uniform Commercial Code or Section 4-210 of the Uniform Commercial Code applicable in other states on items in the course of collection, (ii) attaching to pooling accounts, commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, or (iii) in favor of a banking or other financial institutions or entities, or electronic payment service providers, arising as a matter of law or under general terms and conditions encumbering deposits, deposit accounts, securities accounts, cash management arrangements (including the right of setoff and netting arrangements) or other funds maintained with such institution or in connection with the issuance of letters of credit, bank guarantees or other similar instruments and which are within the general parameters customary in the banking or finance industry;

(o) Liens encumbering customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(p) [reserved];

(q) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's accounts payable or similar obligations in respect of bankers' acceptances or letters of credit entered into in the ordinary course of business issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(r) deposits made or other security provided in the ordinary course of business to secure liability to insurance brokers, carriers, underwriters or under self-insurance arrangements in respect of such obligations;

(s) Liens on the Equity Interests or other securities of Unrestricted Subsidiaries to the extent securing obligations of such Unrestricted Subsidiaries, which obligations shall be non-recourse to the Restricted Group;

(t) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(u) Liens on accounts receivable and related assets of the type specified in the definition of "Permitted Receivables Facility Assets" incurred pursuant to a Permitted Receivables Facility, including Liens on such accounts receivable and Permitted Receivables Facility Assets resulting from precautionary Uniform Commercial Code (or equivalent statutes) filings or from recharacterization of any such sale as a financing or loan;

(v) (i) non-exclusive licenses, sublicenses or other similar grants of IP Rights granted in the ordinary course of business or (ii) other licenses, sublicenses or other similar grants of IP Rights granted in the ordinary course of business, in each case that do not materially interfere with the business of the Borrower or any Restricted Subsidiary;

(w) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto or on funds received from insurance companies on account of third party claims handlers and managers;

(x) agreements to subordinate any interest of the Borrower or any Restricted Subsidiary in any accounts receivable or other proceeds arising from consignment of inventory by the Borrower or any Restricted Subsidiary pursuant to an agreement entered into in the ordinary course of business;

(y) with respect to any entities that are not Loan Parties, other Liens and privileges arising mandatorily by law;

(z) Liens arising pursuant to Section 107(l) of the Comprehensive Environmental Response, Compensation and Liability Act or similar lien provision of any other environmental statute;

(aa) Liens on cash or Permitted Investments securing Hedging Agreements in the ordinary course of business submitted for clearing in accordance with applicable Requirements of Law;

(bb) rights of recapture of unused real property (other than any Material Real Property of Loan Parties) in favor of the seller of such property set forth in customary purchase agreements and related arrangements with any Governmental Authority;

(cc) Liens on the property of (x) any Loan Party in favor of any other Loan Party and (y) any Restricted Subsidiary that is not a Loan Party in favor of the Borrower or any Restricted Subsidiary;

(dd) Liens or security given to public utilities or to any municipality or Governmental Authority when required by the utility, municipality or Governmental Authority in connection with the supply of services or utilities to the Borrower and any other Restricted Subsidiaries; and

(ee) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof.

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness, other than Liens referred to in clauses (c), (d), (s), (u) and (cc) above.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, (i) the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), (ii) England and Wales, (iii) Canada or (iv) Switzerland, in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper and variable and fixed rate notes maturing within 12 months from the date of acquisition thereof and having, at such date of acquisition, a rating of at least A-2 by S&P or P-2 by Moody's;

(c) investments in certificates of deposit, banker's acceptances and demand or time deposits, in each case maturing within 12 months from the date of acquisition thereof, issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) "money market funds" that (i) comply with the criteria set forth in Rule 2a-7 of the Investment Company Act, (ii) are rated AAA- by S&P and Aaa3 by Moody's and (iii) have portfolio assets of at least $5,000,000,000;

(f) asset-backed securities rated AAA by Moody's or S&P, with weighted average lives of 12 months or less (measured to the next maturity date);

(g) readily marketable direct obligations issued by any state, commonwealth or territory of the United States, England and Wales, Canada or Switzerland or any political subdivision or taxing authority thereof having a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P, and in each such case with a "stable" or better outlook, with maturities of 24 months or less from the date of acquisition;

(h) Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated "AAA" (or the equivalent thereof) or better by S&P or "Aaa3" (or the equivalent thereof) or better by Moody's (or reasonably equivalent ratings of another internationally recognized rating agency);

(i) investment funds investing at least 95% of their assets in securities of the types described in clauses (a) through (h) above;

(j) in the case of any Foreign Subsidiary, other short-term investments that are analogous to the foregoing, are of comparable credit quality and are customarily used by companies in the jurisdiction of such Foreign Subsidiary for cash management purposes; and

(k) dollars, euros, Canadian dollars, pounds sterling, Swiss francs, or any other readily tradable currency held by it from time to time in the ordinary course of business of the Borrower or any of its Restricted Subsidiaries.

"Permitted Junior Lien Refinancing Debt" means any secured Indebtedness incurred by the Borrower in the form of one or more series of senior secured notes or loans; provided that (i) such Indebtedness is secured by the Collateral on a junior lien, subordinated basis to the Obligations and is not secured by any property or assets of the Borrower or any Restricted Subsidiary other than the Collateral, (ii) such Indebtedness constitutes Refinancing Term Loan Indebtedness in respect of Term Loans (including portions of Classes of Term Loans), (iii) the security agreements relating to such Indebtedness are not materially more favorable (when taken as a whole) to the lenders or holders providing such Indebtedness than the existing Security Documents are to the Lenders, (iv) such Indebtedness is not guaranteed by any Subsidiaries other than the Loan Parties and (v) the holders of, or an agent, trustee or note agent acting on behalf of the holders of, such Indebtedness shall have become party to an Acceptable Intercreditor Agreement.

"Permitted Receivables Facility" means one or more receivables facilities created under Permitted Receivables Facility Documents providing for (a) the factoring, sale or pledge by one or more of the Borrower or a Restricted Subsidiary (each a "Receivables Seller") of Permitted Receivables Facility Assets (thereby providing financing to the Receivables Sellers) to a Receivables Entity (either directly or through another Receivables Seller), which in turn shall sell or pledge interests in the respective Permitted Receivables Facility Assets to third-party lenders or investors pursuant to the Permitted Receivables Facility Documents (with the Receivables Entity permitted to issue investor certificates, purchased interest certificates or other similar documentation evidencing interests in the Permitted Receivables Facility Assets) in return for the cash used by the Receivables Entity to purchase the Permitted Receivables Facility Assets from the respective Receivables Sellers or (b) the factoring, sale or pledge by one or more

Receivables Sellers of Permitted Receivables Facility Assets to third-party lenders or investors pursuant to the Permitted Receivables Facility Documents in connection with Receivables-backed financing programs, in each case as more fully set forth in the Permitted Receivables Facility Documents; provided that in each case of clause (a) and clause (b), such facilities are not recourse to the Borrower or any Restricted Subsidiary (other than a Receivables Entity) in any way other than pursuant to Standard Securitization Undertakings.

"Permitted Receivables Facility Assets" means (i) accounts receivable (whether now existing or arising in the future) of the Borrower or any of its Subsidiaries which are transferred or pledged to a Receivables Entity pursuant to a Permitted Receivables Facility and any related Permitted Receivables Related Assets which are also so transferred or pledged to a Permitted Receivables Facility and all proceeds thereof and (ii) loans to Subsidiaries secured by accounts receivable (whether now existing or arising in the future) and any Permitted Receivables Related Asset of the Borrower and the Restricted Subsidiaries which are made pursuant to a Permitted Receivables Facility.

"Permitted Receivables Facility Documents" means each of the documents and agreements entered into in connection with a Permitted Receivables Facility, including all documents and agreements relating to the issuance, funding and/or purchase of certificates and purchased interests, all of which documents and agreements shall be in form and substance reasonably customary for transactions of this type as determined in good faith by the Borrower.

"Permitted Receivables Related Assets" means any other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with receivables securitization transactions or similar financings involving accounts receivable, as determined in good faith by the Borrower and including, for the avoidance of doubt, any deposit accounts into which solely collections on such accounts receivable are received (and not containing any other amounts (other than de minimis amounts)), the Equity Interests of any Receivables Entity, and any collections or proceeds of any of the foregoing.

"Permitted Unsecured Refinancing Debt" means unsecured Indebtedness incurred by the Borrower in the form of one or more series of senior or subordinated unsecured notes or loans; provided that (i) such Indebtedness constitutes Refinancing Term Loan Indebtedness in respect of Term Loans (including portions of Classes of Term Loans), (ii) such Indebtedness is not guaranteed by any Subsidiaries other than the Loan Parties and (iii) such Indebtedness is not secured by any Lien or any property or assets of the Borrower or any Restricted Subsidiary.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee pension benefit plan", as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), that is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any of its ERISA Affiliates is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan Asset Regulations" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA, as amended from time to time.

"Platform" has the meaning assigned to such term in Section 9.01(d).

"Prepayment Event" means:

(a) any non-ordinary course sale, transfer, lease or other disposition (including pursuant to a sale and leaseback transaction and by way of merger or consolidation) (for purposes of this defined term, collectively, "dispositions") of any asset of any member of the Restricted Group, other than (i) dispositions described in clauses (a) through (i) and (l), (m), (o) and (p) of Section 6.05, (ii) sales, transfers, leases or other dispositions to Zimmer and its Affiliates pursuant to the terms of the Spin-Off Documents, and (iii) other dispositions resulting in aggregate Net Proceeds not exceeding (A) $12,500,000 in the case of any single disposition or series of related dispositions and (B) $25,000,000 for all such dispositions during any fiscal year of the Borrower;

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of any member of the Restricted Group with a fair market value immediately prior to such event equal to or greater than $12,500,000; or

(c) the incurrence by any member of the Restricted Group of any Indebtedness, other than Indebtedness permitted to be incurred under Section 6.01.

"Prime Rate" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Private-Siders" has the meaning assigned to such term in Section 9.17(b).

"Pro Forma Basis" means, with respect to the calculation of the financial covenant contained in Section 6.13 or any other calculations hereunder or otherwise for purposes of determining the Consolidated First Lien Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio, the Consolidated Total Net Leverage Ratio or Consolidated EBITDA as of any date, that such calculation shall give pro forma effect to:

(i) if such calculation is being made for the purposes described in clause (ii)(y) below, the transaction or event with respect to which the calculation of any such amount or ratio is to be made pursuant to this Agreement, as applicable (and, to the extent applicable, the use of proceeds thereof and the incurrence or repayment of any Indebtedness in connection therewith); and

(ii) all other acquisitions, designations of Restricted Subsidiaries as Unrestricted Subsidiaries, all designations of Unrestricted Subsidiaries as Restricted Subsidiaries, all issuances, incurrences or assumptions or repayments and prepayments of Indebtedness in connection therewith (with any such Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) (in each case, other than Indebtedness incurred or repaid under any revolving credit facility in the ordinary course of business) and all sales, transfers or other dispositions of any Equity Interests in a Restricted Subsidiary or all or substantially all assets of a Restricted Subsidiary or division or line of business of a Restricted Subsidiary outside the ordinary course of business (and any related prepayments or repayments of Indebtedness),

(x) if such calculation is being made for the purposes of determining actual compliance (and not compliance on a pro forma basis as per the requirements of any other provision of this Agreement) with financial covenant contained in Section 6.13 or for purposes of determining the Applicable Rate or the ECF Sweep Amount, that have occurred during the four consecutive fiscal quarter period of the Borrower with respect to which such calculation is being made, or

(y) if such calculation is being made for the purpose of determining whether any Incremental Extension of Credit may be made, any designation under Section 5.17 is permitted or any transaction or event subject to the limitations in Article VI or any other relevant limitations in this Agreement is permitted, that have occurred since the beginning of the four consecutive fiscal quarter period of the Borrower most recently ended on or prior to such date as if they occurred on the first day of such four consecutive fiscal quarter period,

(in each case, including expected cost savings (without duplication of actual cost savings) to the extent such cost savings would be permitted to be reflected in pro forma financial information complying with the requirements of Article 11 of Regulation S-X under the Securities Act as interpreted by the Staff of the SEC, and as certified by a Financial Officer of the Borrower. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Agreement applicable to such Indebtedness).

"Pro Rata Share" means, (i) with respect to a Term Lender, a fraction expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the Term Commitments of such Term Lender in its capacity as Term Lender and the denominator of which is the aggregate Term Commitments of all Term Lenders and (ii) with respect to a Revolving Lender or Issuing Bank, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the Revolving Commitments of such Revolving Lender or Issuing Bank in its capacity as Revolving Lender and the denominator of which is the aggregate Revolving Commitments of all Revolving Lenders.

"Proceeding" means any claim, litigation, investigation, action, suit, arbitration or administrative, judicial or regulatory action or proceeding in any jurisdiction.

"Proposed Change" means a proposed amendment, modification, waiver or termination of any provision of this Agreement or any other Loan Document.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public-Siders" has the meaning assigned to such term in Section 9.17(b).

"Public Company Costs" means any charge, fee, expense, cost, accrual or reserve in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith.

"Purchasing Borrower Party" means any of the Borrower or any Restricted Subsidiary.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning assigned to it in Section 9.21.

"Qualified Equity Interests" means Equity Interests of the Borrower, other than Disqualified Equity Interests.

"Receivables" means all Patient accounts existing or hereafter created, any and all rights to receive payments due on such accounts from any Patient or Medical Reimbursement Program, to the extent not evidenced by an instrument or chattel paper, and all proceeds of, or in any way derived from, any of the foregoing, whether directly or indirectly (including all interest, finance charges and other amounts payable by the obligor in respect thereof).

"Receivables Entity" means a wholly owned Subsidiary of the Borrower (or another Person formed for the purposes of engaging in a Permitted Receivables Facility in which the Borrower or any of its Subsidiaries makes an Investment and to which the Borrower or any of its Subsidiaries transfers Permitted Receivables Facility Assets) which engages in no activities other than in connection with the financing of receivables of the Receivables Sellers and which is designated (as provided below) as the "Receivables Entity" and (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Borrower or any Restricted Subsidiary other than another Receivables Entity (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness)) pursuant to Standard Securitization Undertakings, (ii) is recourse to or obligates the Borrower or any Restricted Subsidiary (other than another Receivables Entity) in any way (other than pursuant to Standard Securitization Undertakings) or (iii) subjects any property or asset of the Borrower or any Restricted Subsidiary (other than another Receivables Entity), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither the Borrower nor any Restricted Subsidiary (other than another Receivables Entity) has any contract, agreement, arrangement or understanding (other than pursuant to the Permitted Receivables Facility Documents (including with respect to fees payable in the ordinary course of business in connection with the servicing of receivables and related assets)) on terms less favorable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from persons that are not Affiliates of the Borrower (as determined by the Borrower in good faith), and (c) to which neither the Borrower, nor any Restricted Subsidiary (other than another Receivables Entity) has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation shall be evidenced to the Administrative Agent by a certificate of a Financial Officer of the Borrower certifying that, to the best of such officer's knowledge and belief after consultation with counsel, such designation complied with the foregoing conditions.

"Receivables Seller" has the meaning assigned to such term in the definition of "Permitted Receivables Facility".

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two Business Days preceding the date of such setting, (2) if such Benchmark is Daily Simple SOFR, then four Business Days prior to such setting or (3) if such Benchmark is none of the Term SOFR Rate or Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"Refinanced Debt" has the meaning set forth in the definition of "Refinancing Term Loan Indebtedness".

"Refinancing Effective Date" has the meaning assigned to such term in Section 2.23.

"Refinancing Facility Agreement" means a Refinancing Facility Agreement, in form and substance reasonably satisfactory to the Administrative Agent, among the Borrower, the Administrative Agent and one or more Refinancing Term Lenders, establishing commitments in respect of Refinancing Term Loans and effecting such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.23.

"Refinancing Indebtedness" means, in respect of any Indebtedness (the "Original Indebtedness"), any Indebtedness that extends, renews, replaces or refinances such Original Indebtedness (or any Refinancing Indebtedness in respect thereof); provided that (a) the principal amount (or accreted value, if applicable) of such Refinancing Indebtedness shall not exceed the principal amount (or accreted value, if applicable) of such Original Indebtedness except by an amount no greater than accrued and unpaid interest with respect to such Original Indebtedness and any fees, premium and expenses relating to such extension, renewal, replacement or refinancing; (b) either (i) the stated final maturity of such Refinancing Indebtedness shall not be earlier than that of such Original Indebtedness or (ii) such Refinancing Indebtedness shall not be required to mature or to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any holder thereof (except, in each case, upon the occurrence of an event of default, asset sale or a change in control or as and to the extent such repayment, prepayment, redemption, repurchase or defeasance would have been required pursuant to the terms of such Original Indebtedness) prior to the date 91 days after the Latest Maturity Date in effect on the date of such extension, renewal, replacement or refinancing; provided that, notwithstanding the foregoing, scheduled amortization payments (however denominated) of such Refinancing Indebtedness shall be permitted so long as the weighted average life to maturity of such Refinancing Indebtedness shall be no shorter than the weighted average life to maturity of such Original Indebtedness remaining as of the date of such extension, renewal or refinancing (or, if shorter, 91 days after the Latest Maturity Date in effect on the date of such extension, renewal or refinancing); (c) such Refinancing Indebtedness shall not constitute an obligation (including pursuant to a Guarantee) of the Borrower or any Subsidiary, in each case that shall not have been (or, in the case of after-acquired Subsidiaries, shall not have been required to become pursuant to the terms of the Original Indebtedness) an obligor in respect of such Original Indebtedness, and shall not constitute an obligation of the Borrower if the Borrower shall not have been an obligor in respect of such Original Indebtedness; (d) if such Original Indebtedness shall have been subordinated to the Loan Document Obligations, such Refinancing Indebtedness shall also be subordinated to the Loan Document Obligations on terms not less favorable in any material respect to the Lenders (as determined in good faith by the Borrower); (e) such Refinancing Indebtedness shall not be secured (x) by any Lien on any asset other than the assets that secured such Original Indebtedness (or would have been required to secure such Original Indebtedness pursuant to the terms thereof) or (y) in the event Liens securing such Original Indebtedness shall have been contractually subordinated to any Lien securing the Loan Document Obligations, by any Lien that shall not have been contractually subordinated to at least the same extent (as determined in good faith by the Borrower); and (f) if the

proceeds of any Refinancing Indebtedness in respect of any Original Indebtedness are not applied to refinance, repurchase or redeem such Original Indebtedness immediately upon the incurrence thereof, (x) the proceeds of such Refinancing Indebtedness are applied to so refinance, repurchase or redeem such Original Indebtedness on or prior to the ninetieth day (or in the case of capital markets Indebtedness, 120 days) following the date of the incurrence of such Refinancing Indebtedness and (y) to the extent the proceeds are segregated and held in escrow prior to their application to refinance, repurchase or redeem such Original Indebtedness, then from and after the date of the incurrence of such Refinancing Indebtedness, such Original Indebtedness shall be deemed not to be outstanding for the purposes of computation of any ratios hereunder (such Indebtedness described in this clause (f), "Excluded Refinanced Debt").

"Refinancing Term Lender" means any Person that provides a Refinancing Term Loan.

"Refinancing Term Loan Indebtedness" means (a) Permitted Junior Lien Refinancing Debt, (b) Permitted Unsecured Refinancing Debt or (c) Refinancing Term Loans obtained pursuant to a Refinancing Facility Agreement, in each case, issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, refinance or replace, in whole or part, existing Term Loans hereunder (including any successive Refinancing Term Loan Indebtedness) (such existing Term Loans and successive Refinancing Term Loan Indebtedness, the "Refinanced Debt"); provided that (i) the principal amount (or accreted value, if applicable) of such Refinancing Term Loan Indebtedness shall not exceed the principal amount (or accreted value, if applicable) of such Refinanced Debt except by an amount equal to the sum of accrued and unpaid interest, accrued fees and premiums (if any) with respect to such Refinanced Debt and fees and expenses associated with the refinancing of such Refinanced Debt with such Refinancing Term Loan Indebtedness; provided, however, that, as part of the same incurrence or issuance of Indebtedness as such Refinancing Term Loan Indebtedness, the Borrower may incur or issue an additional amount of Indebtedness under Section 6.01 without violating this clause (i) (and, for purposes of clarity, (x) such additional amount of Indebtedness shall not constitute Refinancing Term Loan Indebtedness and (y) such additional amount of Indebtedness shall reduce the applicable basket under Section 6.01, if any, on a dollar-for-dollar basis); (ii) the stated final maturity of such Refinancing Term Loan Indebtedness shall not be earlier than 91 days after the Latest Maturity Date of such Refinanced Debt, and such stated final maturity of such Refinancing Term Loan Indebtedness shall not be subject to any conditions that could result in such stated final maturity occurring on a date that precedes the Latest Maturity Date of such Refinanced Debt; (iii) such Refinancing Term Loan Indebtedness shall not be required to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any holder thereof (except, in each case, on the stated final maturity date as permitted pursuant to the preceding clause (ii) or upon the occurrence of an event of default, asset sale or a change in control or as and to the extent such repayment, prepayment, redemption, repurchase or defeasance would have been required pursuant to

the terms of such Refinanced Debt) prior to the earlier of (A) the latest stated final maturity of such Refinanced Debt and (B) 91 days after the Latest Maturity Date in effect on the date of such extension, renewal or refinancing; provided that, notwithstanding the foregoing, scheduled amortization payments (however denominated) of such Refinancing Term Loan Indebtedness in the form of Refinancing Term Loans shall be permitted so long as the weighted average life to maturity of such Refinancing Term Loan Indebtedness in the form of Refinancing Term Loans shall be no shorter than the weighted average life to maturity of such Refinanced Debt remaining as of the date of such extension, replacement or refinancing; (iv) such Refinancing Term Loan Indebtedness shall not constitute an obligation (including pursuant to a Guarantee) of the Borrower or any Subsidiary, in each case that shall not have been (or, in the case of after-acquired Subsidiaries, shall not have been required to become pursuant to the terms of the Refinanced Debt) an obligor in respect of such Refinanced Debt, and, in each case, shall constitute an obligation of the Borrower or such Subsidiary to the extent of its obligations in respect of such Refinanced Debt and (v) in the case of Refinancing Term Loans, such Refinancing Term Loan Indebtedness shall contain terms and conditions that are not materially more favorable (when taken as a whole) to the investors providing such Refinancing Term Loan Indebtedness than those applicable to the existing Term Loans of the applicable Class being refinanced (other than (A) with respect to pricing, maturity, amortization, optional prepayments and redemption and (B) covenants or other provisions applicable only to periods after the Latest Maturity Date) on the date such Refinancing Term Loan is incurred.

"Refinancing Term Loans" means one or more Classes of term loans incurred by the Borrower under this Agreement pursuant to a Refinancing Facility Agreement; provided that such Indebtedness constitutes Refinancing Term Loan Indebtedness in respect of Term Loans (including portions of Classes of Term Loans).

"Register" has the meaning assigned to such term in Section 9.04(b).

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents, trustees, managers, advisors, representatives and controlling persons of such Person or Affiliates.

"Release" means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within or upon any building, structure, facility or fixture.

"Relevant Governmental Body" means, the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto.

"Reorganization" means the reorganization that Zimmer will undergo that will, among other things, result in the allocation and transfer, conveyance or assignment to the Borrower and, subject to certain exceptions, its Subsidiaries of the assets and liabilities in respect of the activities of the spine and dental business and certain other current and former businesses and activities of Zimmer.

"Required Lenders" means, at any time, Lenders having Revolving Exposures, Term Loans and unused Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure (with the aggregate of each Lender's risk participation and funded participation in Letters of Credit being deemed "held" by such Lender for purposes of this definition), outstanding Term Loans and unused Commitments at such time; provided that whenever there is one or more Defaulting Lenders, the total outstanding Term Loans and Revolving Exposures of, and the unused Commitments of, each Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Requirement of Law" means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person and (b) any law (including common law), statute, ordinance, treaty, rule, regulation, order, decree, writ, injunction, settlement agreement or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any U.K. Financial Institution, a U.K. Resolution Authority.

"Restricted Debt Payments" has the meaning assigned to such term in Section 6.08(b).

"Restricted Group" means the Borrower and the Restricted Subsidiaries.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) by the Borrower or any Restricted Subsidiary with respect to its Equity Interests, or any payment or distribution (whether in cash, securities or other property) by the Borrower or any Restricted Subsidiary, including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of its Equity Interests.

"Restricted Subsidiary" means each Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Resulting Revolving Borrowings" has the meaning assigned to such term in Section 2.21(d).

"Reviewed Financial Statements" means the unaudited (i) combined balance sheets of Zimmer dated December 31, 2020 and December 31, 2019, (ii) combined statements of earnings of Zimmer for the fiscal years ended December 31, 2020, December 31, 2019 and December 31, 2018, (iii) combined statements of comprehensive income

(loss) of Zimmer for the fiscal years ended December 31, 2020, December 31, 2019 and December 31, 2018, (iv) combined statements of cash flows of Zimmer for the fiscal years ended December 31, 2020, December 31, 2019 and December 31, 2018, in each case, as reviewed and reported on by PricewaterhouseCoopers LLP.

"Revolving Availability Period" means the period from and including the Closing Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of all the Revolving Commitments.

"Revolving Borrowing" means Revolving Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Term Benchmark Revolving Loans, as to which a single Interest Period is in effect.

"Revolving Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum possible aggregate amount of such Lender's Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08, (b) increased from time to time pursuant to Section 2.21 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 2.23 and Section 9.04. The initial amount of each Lender's Revolving Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption, Refinancing Facility Agreement or Incremental Facility Amendment pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders' Revolving Commitments is $175,000,000.

"Revolving Commitment Increase" has the meaning assigned to such term in Section 2.21(a).

"Revolving Commitment Increase Lender" means, with respect to any Revolving Commitment Increase, each Additional Lender providing a portion of such Revolving Commitment Increase.

"Revolving Exposure" means, with respect to any Revolving Lender at any time, the sum of (a) the outstanding principal amount of such Revolving Lender's Revolving Loans, (b) such Revolving Lender's LC Exposure, in each case, at such time and (c) its Swingline Exposure at such time.

"Revolving Lender" means a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

"Revolving Lender Parent" means, with respect to any Revolving Lender, any Person as to which such Revolving Lender is, directly or indirectly, a subsidiary.

"Revolving Loan" means a Loan made pursuant to clause (b) of Section 2.01.

"Revolving Maturity Date" means the date that is five years after the Closing Date, as the same may be extended pursuant to Section 2.22.

"S&P" means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business.

"Sanctioned Country" means, a country, region or territory which is itself the subject or target of any Sanctions that broadly and comprehensively prohibit dealings with such country, region or territory (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, a Person with whom dealings are restricted or prohibited under any Sanctions, including as a result of (a) being named on any Sanctions-related list of designated Persons maintained by the U.S. government, including those administered by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, Canada or Her Majesty's Treasury of the United Kingdom, (b) being located, organized or resident in a Sanctioned Country, (c) any direct or indirect relationship of ownership or control with any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any Person otherwise the subject of any Sanctions.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the United States, including those administered by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Canada or Her Majesty's Treasury of the United Kingdom.

"SEC" means the United States Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

"Secured Cash Management Obligations" means the due and punctual payment of any and all obligations of (x) the Borrower and each Loan Party and (y) each Restricted Subsidiary that is not a Loan Party, in each case whether absolute or contingent and however and whenever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) arising in respect of Cash Management Services or in the case of clause (y) above only, local working capital and/or bilateral credit facilities that are from and after the Closing Date secured by the Collateral (such local working capital and/or bilateral credit facilities, the "Cash Management Financing Facilities"), in each case that (a) (i) are owed to the Administrative Agent or an Affiliate thereof, or to any Person that was the Administrative Agent or an Affiliate thereof at the time the agreements in respect of such obligations were entered, incurred or that becomes the Administrative Agent or an Affiliate thereof thereafter, (ii) are owed on the Effective Date to a Person that is a Lender or an Affiliate of a Lender as of the Effective

Date or (iii) are owed to a Person that is a Lender or an Affiliate of a Lender at the time such obligations are incurred or becomes a Lender or an Affiliate of a Lender thereafter and (b) are, from and after the Closing Date, secured by the Collateral; provided that at the time of incurrence of obligations incurred pursuant to clause (y) of this definition and after giving effect thereto, the Non-Guarantor Debt Basket shall not have been exceeded.

"Secured Hedging Obligations" means the due and punctual payment of any and all obligations of the Borrower and each Restricted Subsidiary arising under each Hedging Agreement that (a)(i) is with a counterparty that is the Administrative Agent or an Arranger or an Affiliate thereof, or any Person that was the Administrative Agent or an Arranger or an Affiliate thereof at the time such Hedging Agreement was entered into or that becomes the Administrative Agent or an Arranger or an Affiliate thereof thereafter, (ii) is in effect on the Effective Date with a counterparty that is a Lender or an Affiliate of a Lender as of the Effective Date or (iii) is entered into after the Effective Date with a counterparty that is a Lender or an Affiliate of a Lender at the time such Hedging Agreement is entered into or that becomes a Lender or an Affiliate of a Lender thereafter and (b) from and after the Closing Date, are secured by the Collateral. Notwithstanding the foregoing, in the case of any Excluded Swap Guarantor, "Secured Hedging Obligations" shall not include Excluded Swap Obligations of such Excluded Swap Guarantor.

"Secured Parties" means, collectively, (a) the Lenders, (b) the Administrative Agent, (c) each Issuing Bank, (d) each provider of Cash Management Services the obligations under which constitute Secured Cash Management Obligations, (e) each counterparty to any Hedging Agreement the obligations under which constitute Secured Hedging Obligations, and (f) the successors and assigns of each of the foregoing.

"Securities Act" means the United States Securities Act of 1933.

"Security Documents" means the Guarantee Agreement, the Collateral Agreement, any Acceptable Intercreditor Agreement, each Mortgage, each Intellectual Property Security Agreement and each other security agreement or other instrument or document executed and delivered by any Loan Party pursuant to any of the foregoing or pursuant to Section 5.12 or 5.13.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Determination Date" has the meaning specified in the definition of "Daily Simple SOFR".

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"Specified ECF Percentage" means, with respect to any fiscal year of the Borrower, (a) if the Consolidated Total Net Leverage Ratio as of the last day of such fiscal year is greater than 3.90 to 1.00, 50%, (b) if the Consolidated Total Net Leverage Ratio as of the last day of such fiscal year is less than or equal to 3.90 to 1.00 but greater than 3.40 to 1.00, 25%, and (c) if the Consolidated Total Net Leverage Ratio as of the last day of such fiscal year is less than or equal to 2.90 to 1.00, 0%.

"Spin-Off" means the spin-off of the Borrower from Zimmer, as more fully described in the Form 10.

"Spin-Off Documents" means the Distribution Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Trademark License Agreement, the Transition Services Agreement, the Intellectual Property Matters Agreement, the Manufacturing and Supply Agreement, the Transition Manufacturing Agreement and the Stockholder and Registration Rights Agreement, in each case, to be entered into between Zimmer or Affiliates thereof, on the one hand, and the Borrower or Affiliates thereof, on the other hand, each on substantially the terms described in the Form 10, together with any other agreements, instruments or other documents entered into in connection with any of the foregoing, each as amended, restated, amended and restated, supplemented or modified from time to time in accordance with this Agreement.

"Standard Securitization Undertakings" means representations, warranties, covenants and indemnities entered into by the Borrower or any Restricted Subsidiary thereof in connection with the Permitted Receivables Facility which are customary in an accounts receivable financing transaction.

"Stockholder and Registration Rights Agreement" means the Stockholder and Registration Rights Agreement between the Borrower and Zimmer or one of its Affiliates to be dated on or prior to the Distribution Date.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held (unless parent does not Control such entity) or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent; provided, however, that a joint venture shall not be deemed to be a subsidiary solely as a result of this clause (b).

"Subsidiary" means any direct or indirect subsidiary of the Borrower.

"Successor Borrower" has the meaning assigned to such term in Section 6.03(a)(v).

"Supported QFC" has the meaning assigned to it in Section 9.21.

"Swap Obligations" means, with respect to the Borrower or any other Loan Party, an obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of § 1a(47) of the Commodity Exchange Act.

"Swingline Commitment" means as to any Lender (i) the amount set forth opposite such Lender's name on Schedule 2.01 attached hereto or (ii) if such Lender has entered into an Assignment and Assumption or has otherwise assumed a Swingline Commitment after the Effective Date, the amount set forth for such Lender as its Swingline Commitment in the Register maintained by the Administrative Agent pursuant to Section 9.04.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be the sum of (a) its Applicable Percentage of the aggregate principal amount of all Swingline Loans outstanding at such time (excluding, in the case of any Lender that is a Swingline Lender, Swingline Loans made by it that are outstanding at such time to the extent that the other Lenders shall not have funded their participations in such Swingline Loans), adjusted to give effect to any reallocation under Section 2.20 of the Swingline Exposure of Defaulting Lenders in effect at such time, and (b) in the case of any Lender that is a Swingline Lender, the aggregate principal amount of all Swingline Loans made by such Lender outstanding at such time, less the amount of participations funded by the other Lenders in such Swingline Loans.

"Swingline Lender" means JPMorgan Chase Bank, N.A. (or any of its designated branch offices or affiliates), in its capacity as a lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.04.

"Tax Matters Agreement" means the Tax Matters Agreement between Zimmer and the Borrower, to be dated on or prior to the Distribution Date.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Benchmark" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate.

"Term Borrowings" means one or more Borrowings of Term Loans of any Class, as the context requires.

"Term Commitments" means, collectively, (a) with respect to each Lender, the commitment, if any, of such Lender to make an Initial Term Loan hereunder on the Closing Date, expressed as an amount representing the maximum principal amount of the Initial Term Loan to be made by such Lender hereunder, as such commitment may be (i) reduced from time to time pursuant to Section 2.08 and (ii) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04 and (b) any commitments to make Incremental Term Loans or Refinancing Term Loans. The initial amount of each Lender's Term Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption, Incremental Facility Amendment or Refinancing Facility Agreement pursuant to which such Lender shall have assumed or provided its Term Commitment, as applicable. The initial aggregate amount of the Lenders' Term Commitments on the Effective Date is $595,000,000.

"Term Lenders" means, a Lender with a Term Commitment or an outstanding Term Loan.

"Term Loans" means, collectively, the Initial Term Loans and any Incremental Term Loans and any Refinancing Term Loans.

"Term Maturity Date" means the date that is five years after the Closing Date, as the same may be extended pursuant to Section 2.22.

"Term SOFR Determination Day" has the meaning assigned to it under the definition of Term SOFR Reference Rate.

"Term SOFR Rate" means, with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"Term SOFR Reference Rate" means, for any day and time (such day, the "Term SOFR Determination Day"), with respect to any Term Benchmark Borrowing denominated in dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term

SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

"Test Period" means, at any date of determination, the period of four consecutive fiscal quarters of the Borrower then last ended as of such time for which financial statements have been delivered pursuant to Section 5.01(a) or (b); provided that for any date of determination before the delivery of the first financial statements pursuant to Section 5.01(a) or (b), the Test Period shall be the period of four consecutive fiscal quarters of the Borrower then last ended as of such time for which financial statements are publicly available or have been provided to the Administrative Agent.

"Trademark License Agreement" means the Transitional Trademark License Agreement between the Borrower and Zimmer or one of its Affiliates to be dated on or prior to the Distribution Date.

"Trademarks" has the meaning assigned to such term in the Collateral Agreement.

"Transaction Costs" means all fees, costs and expenses incurred or payable by the Borrower or any Subsidiary in connection with the Transactions.

"Transactions" means, collectively, (a) the execution, delivery and performance by each Loan Party of the Loan Documents (including this Agreement) to which it is to be a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder, (b) the making of the Closing Date Distribution and (c) the Spin-Off, together with the Reorganization and all other transactions pursuant to, and the execution, delivery and performance of, the Spin-Off Documents.

"Transition Manufacturing Agreement" means the Transition Manufacturing Agreement between the Borrower and Zimmer or one of its Affiliates to be dated on or prior to the Distribution Date.

"Transition Services Agreement" means the Transition Services Agreement between the Borrower and Zimmer or one of its Affiliates to be dated on or prior to the Distribution Date.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate or the Alternate Base Rate.

"U.K. Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"U.K. Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any U.K. Financial Institution.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code or any Person that is disregarded as an entity separate from any such United States person for U.S. federal income tax purposes.

"U.S. Subsidiary" means any Subsidiary organized under the laws of the United States of America, any State thereof or the District of Columbia.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, the Unadjusted Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"Unaudited Financial Statements" means the unaudited combined balance sheets of the Borrower as of September 30, 2021, and the related unaudited combined statements of comprehensive income and cash flows for the nine months ended on September 30, 2021.

"Undisclosed Administration" means, with respect to any Lender or its parent company, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender or parent company is subject to home jurisdiction supervision, if the applicable law of such country requires that such appointment not be publicly disclosed.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York.

"Unrestricted Subsidiaries" means (a) any Subsidiary that is formed or acquired after the Closing Date and is designated as an Unrestricted Subsidiary by the Borrower pursuant to Section 5.17 subsequent to the Closing Date and (b) any Subsidiary of an Unrestricted Subsidiary. As of the Closing Date, there will be no Unrestricted Subsidiaries.

"Unrestricted Subsidiary Reconciliation Statement" means in connection with the delivery of financial statements pursuant to Section 5.01(a) or (b) (solely to the extent required under Section 5.01(c)), an unaudited financial statement (in substantially the same form) prepared on the basis of consolidating the accounts of the Borrower and the Restricted Subsidiaries and treating Unrestricted Subsidiaries as if they were not consolidated with the Borrower and otherwise eliminating all accounts of Unrestricted Subsidiaries, together with an explanation of reconciliation adjustments in reasonable detail.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Special Resolution Regime" has the meaning assigned to it in Section 9.21.

"USA PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

"Voting Equity Interests" of any Person means the Equity Interests of such Person ordinarily having the power to vote for the election of the directors of such Person.

"Weighted Average Yield" means, with respect to any Term Loan, Term Commitment or any other Loans or Commitments, the weighted average yield to stated maturity thereof based on the interest rate or rates applicable thereto and giving effect to all upfront or similar fees or original issue discount payable to the lenders with respect thereto and to any interest rate "floor", but excluding any prepayment premiums, customary arrangement, syndication, commitment, structuring, ticking, underwriting and other similar fees paid or payable to the arrangers (or similar titles) or their Affiliates, in each case in their capacities as such in connection therewith and that are not generally shared with all lenders providing such loans and commitments; provided that to the extent that the Term SOFR Rate for an Interest Period of 3 months on the effective date of such other loans or commitments is less than the interest rate floor, if any, applicable to such other loans or commitments, then the amount of such difference shall be included in the calculation of the Weighted Average Yield of such other loans or commitments. For purposes of determining the Weighted Average Yield of any floating rate Indebtedness at any time, the rate of interest applicable to such Indebtedness at such time shall be assumed to be the rate applicable to such Indebtedness at all times prior to maturity; provided that appropriate adjustments shall be made for any changes in rates of interest provided for in the documents governing such Indebtedness (other than those resulting from fluctuations in interbank offered rates, prime rates, Federal funds rates or other external indices not influenced by the financial performance or creditworthiness of the Borrower or any Subsidiary).

"wholly owned Subsidiary" means, with respect to any Person at any date, a subsidiary of such Person of which securities or other ownership interests representing 100% of the Equity Interests (other than directors' qualifying shares) are, as of such date, owned, controlled or held by such Person or one or more wholly owned Subsidiaries of such Person or by such Person and one or more wholly owned Subsidiaries of such Person.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Withholding Agent" means any Loan Party, the Administrative Agent and, in the case of any U.S. federal withholding Tax, any other withholding agent, if applicable.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any U.K. Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

"Zimmer" means Zimmer Biomet Holdings, Inc., a Delaware corporation.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Term Benchmark Loan") or by Class and Type (e.g., a "Term Benchmark Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Term Benchmark Borrowing") or by Class and Type (e.g., a "Term Benchmark Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise or except as expressly provided herein, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in the Loan Documents), (b) any definition of or reference to any

statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), unless otherwise expressly stated to the contrary, (c) any reference herein to any Person shall be construed to include such Person's successors and assigns, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP; Borrower Representative; Timing. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that (i) if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision (including any definition) hereof to eliminate the effect of any change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith, (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities, or any successor thereto (including pursuant to Accounting Standard Codifications), to value any Indebtedness of the Borrower or any Subsidiary at "fair value", as defined therein and (iii) notwithstanding any other provision contained herein, all obligations of any person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the "ASU") (or any other Financial Accounting Standard having a similar result or effect) shall continue to be accounted for as operating leases for purposes of the Loan Documents (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized or finance lease obligations in the Borrower's financial statements (provided that the only financial statements required to be delivered shall be those filed with the SEC).

(b) The Borrower is hereby authorized to act as an agent and representative of the other Loan Parties party hereto in providing and receiving notices, consents, certificates, other writing or statements on behalf of the other Loan Parties for purposes hereof (including for purposes of Article II). Unless otherwise provided therein, the Administrative Agent may assume any notice, consent, certificate, other writing or statement received from the Borrower is made on behalf of the other Loan Parties, and shall be entitled to rely on, and shall incur no liability by acting upon, any such notice, consent, certificate, other writing or statement accordingly.

(c) Unless otherwise specified herein, when the payment of any obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day.

SECTION 1.05. Pro Forma Calculations. For purposes of determining compliance with the covenant contained in Section 6.13 (or pro forma compliance with the same for purposes of the requirements of any other relevant provision) or otherwise for purposes of determining the Consolidated First Lien Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio, the Consolidated Total Net Leverage Ratio and Consolidated EBITDA, calculations with respect to such period shall be made on a Pro Forma Basis.

SECTION 1.06. Interest Rates; Benchmark Notification (a) The interest rate on a Loan denominated in dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.14(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.07. Limited Condition Transaction. (a) Notwithstanding anything in this Agreement or any Loan Document to the contrary, when calculating any applicable financial ratio or test or determining other compliance with this Agreement (including the determination of compliance with any provision of this Agreement which requires that no Default or Event of Default has occurred, is continuing or would result therefrom) in connection with the consummation of a Limited Condition Transaction, the date of determination of such ratio and determination of whether any Default or Event of Default has occurred, is continuing or would result therefrom or other applicable covenant shall, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election"), be deemed to be (i) in the case of a Limited Condition Transaction described in clause (i) of the definition thereof, the date the definitive agreements for such Limited Condition Transaction are entered into and (ii) in the case of a Limited Condition Transaction described in clause (ii) of the definition thereof, the date of giving of the irrevocable notice of redemption therefor (the "LCT Test Date") and if, after such financial ratios and tests and other provisions are measured on a Pro Forma Basis after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period being used to calculate such financial ratio ending prior to the LCT Test Date, the Borrower could have taken such action on the relevant LCT Test Date in compliance with such ratios and provisions, such provisions shall be deemed to have been complied with; provided that at the option of the Borrower, the relevant ratios and baskets may be recalculated at the time of consummation of such Limited Condition Transaction. For the avoidance of doubt, (x) if any of such financial ratios or tests are exceeded as a result of fluctuations in such ratio or test (including due to fluctuations in Consolidated EBITDA or otherwise) at or prior to the consummation of the relevant Limited Condition Transaction, such financial ratios and tests and other provisions will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction is permitted hereunder and (y) such financial ratios and tests and other provisions shall not be tested at the time of consummation of such Limited Condition Transaction or related transaction. For the avoidance of doubt, if the Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any financial ratio or test (excluding, for the avoidance of doubt, any ratio contained in Sections 6.13) or basket availability with respect to any Limited Condition Transaction on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or, in the case of a Limited Condition Transaction described in clause (i) thereof, the date that the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, for purposes of determining whether such subsequent transaction is permitted under this Agreement or any Loan Document, any such ratio, test or basket shall be required to comply with any such ratio, test or basket on a Pro Forma Basis assuming such Limited Condition Transaction and the other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated until such time as the applicable Limited Condition Transaction has actually closed or the definitive agreement with respect thereto has been terminated or expires.

SECTION 1.08. Ratio Calculations. Notwithstanding anything to the contrary herein, with respect to any amount incurred or transaction entered into or consummated in reliance on a provision of this Agreement that does not require compliance with a financial ratio or test (including, without limitation, any tests based on the Consolidated First Lien Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio, the Consolidated Total Net Leverage Ratio or Consolidated EBITDA) (any such amounts, the "Fixed Amounts") substantially concurrently with any portion of such amount or transaction incurred, entered into or consummated in reliance on a provision of this Agreement that requires compliance with a financial ratio or test (including any tests based on the Consolidated First Lien Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio, the Consolidated Total Net Leverage Ratio or Consolidated EBITDA) (any such amounts, the "Incurrence-Based Amounts"), it is understood and agreed that any portion of the amounts incurred, or transactions entered into or consummated, in compliance with any Fixed Amounts shall be disregarded in the calculation of the financial ratio or test applicable to the relevant Incurrence-Based Amounts.

SECTION 1.09. [Reserved].

SECTION 1.10. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, (a) each Term Lender agrees to make an Initial Term Loan denominated in dollars to the Borrower on the Closing Date in a principal amount not exceeding its Term Commitment in respect of Initial Term Loans and (b) each Revolving Lender agrees to make Revolving Loans denominated in dollars to the Borrower from time to time, in each case during the Revolving Availability Period, in an aggregate principal amount that will not result in such Revolving Lender's Revolving Exposure exceeding such Lender's Revolving Commitment or the Aggregate Revolving Exposure exceeding the Aggregate Revolving Commitment. Initial Term Loans and Revolving Loans may be ABR Loans or Term Benchmark Loans, in each case, as further provided herein. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Term Benchmark Loans as the Borrower may request in accordance herewith. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum; provided that a Term Benchmark Borrowing that results from a continuation of an outstanding Term Benchmark Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than Borrowing Minimum. Each Swingline Loan shall be in an amount that is an integral multiple of $100,000 and not less than $500,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not be more than a total of ten Term Benchmark Borrowings at any time outstanding unless the Administrative Agent otherwise agrees. Notwithstanding anything to the contrary herein, an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Revolving Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e).

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Revolving Borrowing or Term Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing Request (a) in the case of a Term Benchmark Borrowing, not later than 2:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable (provided that the Borrowing Request in respect of the initial Borrowings on the Closing Date, or in connection with any acquisition or

other investment permitted under Section 6.04, may be conditioned on the closing of the Spin-Off or such acquisition or other investment, as applicable) and shall be confirmed promptly by hand delivery or electronic mail to the Administrative Agent of a written Borrowing Request signed by a Financial Officer of the Borrower. Each such Borrowing Request shall specify the following information (to the extent applicable, in compliance with Sections 2.01 and 2.02):

(i) the Class of the requested Borrowing;

(ii) the aggregate amount of such Borrowing;

(iii) the requested date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing;

(v) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06(a), or, if the Borrowing is being requested to finance the reimbursement of an LC Disbursement in accordance with Section 2.05(e), the identity of the Issuing Bank that made such LC Disbursement; and

(vii) that as of such date Sections 4.03(a) and 4.03(b) are satisfied.

If no election as to the Type of Borrowing is specified, then, requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Swingline Loans. (a) Subject to the terms and conditions set forth herein, from time to time during the Revolving Availability Period, each Swingline Lender severally agrees to, make Swingline Loans to the Borrower in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans made by such Swingline Lender exceeding such Swingline Lender's Swingline Commitment or (ii) any Lender's Revolving Exposure exceeding its Revolving Commitment; provided that a Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall submit a written notice to the Administrative Agent by telecopy or electronic mail not later than 12:00 noon, New York City time, on the day of a proposed Swingline Loan. Each such notice shall be in a form approved by the Administrative Agent, shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. Each Swingline Lender shall make its ratable portion of the requested Swingline Loan (such ratable portion to be calculated based upon such Swingline Lender's Swingline Commitment to the total Swingline Commitments of all of the Swingline Lenders) available to the Borrower by means of a credit to an account of the Borrower with the Administrative Agent designated for such purpose (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e), by remittance to the Issuing Bank) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The failure of any Swingline Lender to make its ratable portion of a Swingline Loan shall not relieve any other Swingline Lender of its obligation hereunder to make its ratable portion of such Swingline Loan on the date of such Swingline Loan, but no Swingline Lender shall be responsible for the failure of any other Swingline Lender to make the ratable portion of a Swingline Loan to be made by such other Swingline Lender on the date of any Swingline Loan.

(d) Any Swingline Lender may by written notice given to the Administrative Agent require the Lenders to acquire participations in all or a portion of its Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loans. Each Lender hereby absolutely and unconditionally agrees, promptly upon receipt of such notice from the Administrative Agent (and in any event, if such notice is received by 12:00 noon, New York City time, on a Business Day no later than 5:00 p.m. New York City time on such Business Day and if received after 12:00 noon, New York City time, on a Business Day no later than 10:00 a.m. New York City time on the immediately succeeding Business Day), to pay to the Administrative Agent, for the account of such Swingline Lender, such Lender's Applicable Percentage of such Swingline Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and

Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to such Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to such Swingline Lender. Any amounts received by a Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by such Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to such Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to such Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(e) Any Swingline Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Swingline Lender and the successor Swingline Lender. The Administrative Agent shall notify the Lenders of any such replacement of a Swingline Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid interest accrued for the account of the replaced Swingline Lender pursuant to Section 2.13(a). From and after the effective date of any such replacement, (x) the successor Swingline Lender shall have all the rights and obligations of the replaced Swingline Lender under this Agreement with respect to Swingline Loans made thereafter and (y) references herein to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the replacement of a Swingline Lender hereunder, the replaced Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement with respect to Swingline Loans made by it prior to its replacement, but shall not be required to make additional Swingline Loans.

(f) Subject to the appointment and acceptance of a successor Swingline Lender, any Swingline Lender may resign as a Swingline Lender at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such Swingline Lender shall be replaced in accordance with Section 2.04(e) above.

SECTION 2.05. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request (and each Issuing Bank shall issue) Letters of Credit for the Borrower's own account (or for the account of any Subsidiary so long as such Issuing Bank has completed its customary "know your client" procedures with respect to such Subsidiary), in each case, in a form reasonably acceptable to the applicable Issuing Bank, at any time and from time to time during the Revolving Availability Period.

The Borrower unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the account of any Subsidiary as provided above, the Borrower will be fully responsible for the reimbursement of LC Disbursements, the payment of interest thereon and the payment of fees due under Section 2.12(b), in respect thereof to the same extent as if it were the sole account party in respect of such Letter of Credit. Notwithstanding anything contained in any letter of credit application or other agreement (other than this Agreement or any Security Document) submitted by the Borrower to, or entered into by the Borrower with, any Issuing Bank relating to any Letter of Credit, (i) all provisions of such letter of credit application or other agreement purporting to grant Liens in favor of such Issuing Bank to secure obligations in respect of such Letter of Credit shall be disregarded, it being agreed that such obligations shall be secured to the extent provided in this Agreement and in the Security Documents, and (ii) in the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of such letter of credit application or such other agreement, as applicable, the terms and conditions of this Agreement shall control. On the Closing Date (or such later date as referenced on Schedule 1.04), each Existing Letter of Credit shall, without any further action by any Person, be deemed to have been issued as a Letter of Credit hereunder (without any breakage or transfer charges in connection therewith) and shall for all purposes hereof (including paragraphs (d), (e) and (f) of this Section) be treated as and constitute a Letter of Credit.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit or the amendment, renewal or extension of an outstanding Letter of Credit (other than any automatic renewal permitted pursuant to paragraph (c) of this Section), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by such Issuing Bank) to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the requested date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be requested by the applicable Issuing Bank as necessary to enable such Issuing Bank to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. An Issuing Bank shall not be obligated to issue any trade Letter of Credit (unless it otherwise consents) and no Letter of Credit shall be issued, amended, renewed or extended unless (and upon issuance, amendment, renewal or extension of any Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, (i) the sum of the LC Exposure shall not exceed the LC Sublimit, (ii) the Aggregate Revolving Exposure shall not exceed the Aggregate Revolving Commitment, (iii) the face amount of the Letters of Credit issued by the applicable Issuing Bank shall not exceed the LC Commitment of such Issuing Bank

(unless it otherwise agrees) and (iv) following the effectiveness of any Maturity Date Extension Request with respect to the Revolving Commitments of any Class, the LC Exposure in respect of all Letters of Credit of such Class having an expiration date after the fifth Business Day prior to the applicable Existing Maturity Date shall not exceed the aggregate Revolving Commitments of such Class of the Consenting Lenders extended pursuant to Section 2.22. Each Issuing Bank agrees that it shall not permit any issuance, amendment, renewal or extension of a Letter of Credit to occur unless it shall give to the Administrative Agent written notice thereof as required under paragraph (l) of this Section. Notwithstanding anything herein to the contrary, an Issuing Bank shall have no obligation hereunder to issue any Letter of Credit if (x) any law applicable to such Issuing Bank from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit the issuance of letters of credit generally or the Letter of Credit in particular or (y) such issuance shall violate such Issuing Bank's internal policies that are applicable to letters of credit generally.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Maturity Date (unless such Letters of Credit have been cash collateralized or backstopped on or prior to such fifth Business Day pursuant to arrangements reasonably satisfactory to the applicable Issuing Bank); provided that (x) any Letter of Credit may, upon the request of the Borrower, include a provision whereby such Letter of Credit shall be renewed automatically for additional periods (but not beyond the date that is five Business Days prior to the Revolving Maturity Date (unless such Letters of Credit have been cash collateralized or backstopped on or prior to such fifth Business Day pursuant to arrangements reasonably satisfactory to the applicable Issuing Bank)) unless the applicable Issuing Bank notifies the beneficiary thereof at least 30 days (or such other longer period specified in the applicable Letter of Credit) prior to the then-applicable expiration date that such Letter of Credit will not be renewed and (y) clause (c)(i) above shall not apply to a Letter of Credit if such long-dated Letter of Credit is consented to by the applicable Issuing Bank. For the avoidance of doubt, if the Revolving Maturity Date in respect of any Class of Revolving Commitments shall be extended pursuant to Section 2.22, "Revolving Maturity Date" as referenced in this paragraph shall refer, with respect to the Class of Letters of Credit associated with such Class of Revolving Commitments, to the Revolving Maturity Date in respect of any Class of Revolving Commitments as extended pursuant to Section 2.22; provided that, notwithstanding anything in this Agreement (including Section 2.22 hereof) or any other Loan Document to the contrary, the Revolving Maturity Date, as such term is used in reference to any Issuing Bank or any Letter of Credit issued thereby, may not be extended with respect to any Issuing Bank without the prior written consent of such Issuing Bank.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, the Issuing Bank that is the issuer of such Letter of Credit hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Revolving Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or any reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender further acknowledges and agrees that, in issuing, amending, renewing or extending any Letter of Credit, the applicable Issuing Bank shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of the Borrower deemed made pursuant to Section 4.03 unless, at least one Business Day prior to the time such Letter of Credit is issued, amended, renewed or extended (or, in the case of an automatic renewal permitted pursuant to paragraph (c) of this Section, at least one Business Day prior to the time by which the election not to extend must be made by the applicable Issuing Bank), the Majority in Interest of the Revolving Lenders shall have notified the applicable Issuing Bank (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.03(a) or 4.03(b) would not be satisfied if such Letter of Credit were then issued, amended, renewed or extended (it being understood and agreed that, in the event any Issuing Bank shall have received any such notice, no Issuing Bank shall have any obligation to issue, amend, renew or extend any Letter of Credit until and unless it shall be satisfied that the events and circumstances described in such notice shall have been cured or otherwise shall have ceased to exist).

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, then the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement (payable in the currency of such LC Disbursement), not later than (i) if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on any Business Day, then 12:00 noon, New York City time, on such Business Day, or (ii) otherwise, 12:00 noon, New York City time, on the Business Day immediately following the day that the Borrower receives such notice; provided that, in the case of an LC Disbursement in an amount equal to or in excess of $500,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR

Revolving Borrowing or Swingline Loan. If the Borrower fails to reimburse any LC Disbursement by the time specified above in this paragraph, then the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the amount of the payment then due from the Borrower in respect thereof and such Revolving Lender's Applicable Percentage thereof. Such payment by the Revolving Lenders shall be made in dollars. Promptly following receipt of such notice, each applicable Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the amount then due from the Borrower in dollars, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders under this paragraph), and the Administrative Agent shall promptly remit to the applicable Issuing Bank the amounts so received by it from the applicable Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of an ABR Revolving Borrowing or Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision thereof or hereof, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Administrative Agent, the Lenders, the Issuing Banks or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit, any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by

the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction in a final and nonappealable judgment), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit, and any such acceptance or refusal shall be deemed not to constitute gross negligence or willful misconduct.

(g) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Administrative Agent and the Borrower in writing (via hand delivery, facsimile or other electronic imaging) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the applicable Revolving Lenders with respect to any such LC Disbursement in accordance with paragraph (e) of this Section.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement in full, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement in full when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be paid to the Administrative Agent, for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment, and shall be payable on demand or, if no demand has been made, on the date on which the Borrower reimburses the applicable LC Disbursement in full.

(i) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day on which the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, a Majority in Interest of the Revolving Lenders) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the

Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders, an amount in cash (in the currency of each applicable Letter of Credit) equal to the LC Exposure of the Revolving Lenders with respect to the Letters of Credit issued on behalf of the Borrower as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Section 7.01. The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.11(b), 2.20(d) or 2.22(c). Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Notwithstanding the terms of any Security Document, moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to (i) the consent of a Majority in Interest of the Revolving Lenders (treating the Classes of Revolving Commitments and Revolving Loans as one Class) and (ii) in the case of any such application at a time when any Revolving Lender is a Defaulting Lender (but only if, after giving effect thereto, the remaining cash collateral shall be less than the aggregate LC Exposure of all the Defaulting Lenders), the consent of each Issuing Bank), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.11(b), such amount (to the extent not applied as aforesaid) shall be returned to the Borrower to the extent that, after giving effect to such return, the Aggregate Revolving Exposure in respect of the Revolving Commitments or Revolving Loans would not exceed the Aggregate Revolving Commitment and no Default shall have occurred and be continuing. If the Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.20(d), such amount (to the extent not applied as aforesaid) shall be returned to the Borrower to the extent that, after giving effect to such return, no Issuing Bank shall have any exposure in respect of any outstanding Letter of Credit that is not fully covered by the Revolving Commitments of the non-Defaulting Lenders and/or the remaining cash collateral and no Default shall have occurred and be continuing.

(j) Designation of Additional Issuing Banks. The Borrower may, at any time and from time to time with notice to the Administrative Agent, designate as additional Issuing Banks one or more Revolving Lenders, that agree to serve in such capacity as provided below. The acceptance by a Revolving Lender of an appointment as an Issuing Bank hereunder shall be evidenced by an agreement, which shall be in form and substance reasonably satisfactory to the Administrative Agent and the Borrower and shall specify the LC Commitment of such Issuing Bank, executed by the Borrower, the Administrative Agent and such designated Revolving Lender and, from and after the effective date of such agreement, (i) such Revolving Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and (ii) references herein to the term "Issuing Bank" shall be deemed to include such Revolving Lender in its capacity as an issuer of Letters of Credit hereunder. In addition, solely with respect to the Existing Letters of Credit set forth on Schedule 1.04, each issuing bank thereof may, to the extent it is not an Issuing Bank under this Agreement on the Closing Date, become an Issuing Bank hereunder with respect to the Existing Letters of Credit issued by it by executing and delivering to the Administrative Agent a duly executed counterpart to this Agreement, whereupon such issuing bank shall constitute an Issuing Bank for all purposes hereof with respect to such Existing Letters of Credit as if originally a party hereto in such capacity.

(k) Resignation or Termination of an Issuing Bank. Any Issuing Bank may resign as a "Issuing Bank" hereunder upon 30 days' prior written notice to the Administrative Agent, the Lenders, and the Borrower; provided that on or prior to the expiration of such 30-day period with respect to such resignation, the relevant Issuing Bank shall have identified a successor Issuing Bank reasonably acceptable to the Borrower willing to accept its appointment as successor Issuing Bank and the effectiveness of such resignation shall be conditioned upon such successor assuming the rights and duties of the Issuing Bank. In the event of any such resignation as Issuing Bank, the Borrower shall be entitled to appoint from among the Lenders a successor Issuing Bank hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of the resigning Issuing Bank except as expressly provided above. The Borrower may terminate the appointment of any Issuing Bank as an "Issuing Bank" hereunder by providing a written notice thereof to such Issuing Bank, with a copy to the Administrative Agent. Any such termination shall become effective upon the earlier of (i) such Issuing Bank acknowledging receipt of such notice and (ii) the third Business Day following the date of the delivery thereof; provided that no such termination shall become effective until and unless the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (or its Affiliates) shall have been reduced to zero. At the time any such resignation or termination shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the resigning or terminated Issuing Bank pursuant to Section 2.12(b). Notwithstanding the effectiveness of any such resignation or termination, the resigning or terminated Issuing Bank shall remain a party hereto and shall continue to have all the rights of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such resignation or termination, but shall not be required to issue any additional Letters of Credit.

(l) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancelations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date, amount and currency of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the currency and amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(m) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at the time of determination.

SECTION 2.06. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof solely by wire transfer of immediately available funds, by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.04. Except in respect of the provisions of this Agreement covering the reimbursement of Letters of Credit, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the funds so received in the aforesaid account of the Administrative Agent to an account of the Borrower designated by the Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay

to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request or designated by Section 2.03 and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or designated by Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election in writing by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, facsimile or other electronic transmission to the Administrative Agent of a written Interest Election Request signed by a Financial Officer of the Borrower.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing; and

(iv) if the resulting Borrowing is to be a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be deemed to have an Interest Period that is one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, each Term Benchmark Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.08. Termination and Reduction of Commitments. (a) Unless previously terminated, (i) the Term Commitments shall automatically terminate and be reduced to $0 on the Closing Date upon the making of the Term Loans, and (ii) the Revolving Commitments shall automatically terminate and be reduced to $0 on the Revolving Maturity Date.

(b) The Borrower may at any time terminate, or from time to time permanently reduce, the Commitments of any Class; provided that (i) each partial reduction of the Commitments of any Class shall be in an amount that is an integral multiple of $500,000 and not less than $1,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, the Aggregate Revolving Exposure would exceed the Aggregate Revolving Commitment.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents

thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination or reduction of the Revolving Commitments delivered under this paragraph may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

SECTION 2.09. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan made by such Revolving Lender to the Borrower on the Revolving Maturity Date, (ii) to the Administrative Agent for the account of each Term Lender the then unpaid principal amount of each Term Loan made by such Term Lender to the Borrower on the Term Maturity Date, (iii) to the Administrative Agent for the account of each Term Lender the then unpaid principal amount of each Term Loan made by such Term Lender to the Borrower as provided in Section 2.10 and (iv) to the Administrative Agent for the account of the Swingline Lender, the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the fifth Business Day after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans then outstanding and the proceeds of any such Borrowing shall be applied by the Administrative Agent to repay any Swingline Loans outstanding.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder. The records maintained by the Administrative Agent and the Lenders shall be prima facie evidence of the existence and amounts of the obligations of the Borrower in respect of Loans made to the Borrower, LC Disbursements, interest and fees due or accrued, in each case, with respect to the Borrower hereunder; provided that the failure of the Administrative Agent or any Lender to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to pay any amounts due hereunder in accordance with the terms of this Agreement. In the event of any inconsistency between the entries made pursuant to paragraphs (b) and (c) of this Section 2.09, the accounts maintained by the Administrative Agent maintained pursuant to paragraph (c) of this Section 2.09 shall control.

(c) The Administrative Agent shall, in connection with maintenance of the Register in accordance with Section 9.04(b)(iv) maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal, premium, interest or fees due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender’s share thereof.

(d) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the Borrower of such Loans shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.10. Amortization of Term Loans. (a) Subject to adjustment pursuant to paragraph (d) of this Section, the Borrower shall repay to the Administrative Agent, for the account of each Initial Term Lender, Initial Term Loans on the last Business Day of each March, June, September and December (commencing with the first full fiscal quarter ending after the Closing Date) occurring in the relevant period set forth below in the aggregate principal amount set forth opposite such period:

Period	Amount
Closing Date to the two year anniversary of the Closing Date	$3,718,750
The date that is the two year anniversary of the Closing Date to the third anniversary of the Closing Date	$7,437,500
The date that is the third anniversary of the Closing Date to the Term Maturity Date	$14,875,000
Term Maturity Date	Balance of any remaining outstanding principal amount of Initial Term Loans

(b) [Reserved.]

(c) To the extent not previously paid, the Borrower shall pay to the Administrative Agent for the account of the Initial Term Lenders the then unpaid principal amount of the Initial Term Loans on the Term Maturity Date.

(d) Any prepayment by the Borrower of a Term Borrowing of any Class shall be applied to reduce the subsequent scheduled repayments of the Term Borrowings of such Class to be made pursuant to this Section as directed in writing by the Borrower; provided that (A) any prepayment of any Class of Incremental Term Borrowings shall be applied to subsequent scheduled repayments as provided in the applicable Incremental Facility Amendment, (B) any prepayment of Term Borrowings of any Class contemplated by Section 2.23 shall be applied to subsequent scheduled repayments as provided in such Section, (C) mandatory prepayments of Term Borrowings shall be applied to scheduled repayments of such Term Borrowings as directed by the Borrower and (D) if any Lender elects to decline a mandatory prepayment of a Term Borrowing in accordance with Section 2.11(f), then the portion of such prepayment not so declined shall be applied to reduce the subsequent repayments of such Term Borrowing to be made pursuant to this Section ratably based on the amount of such scheduled repayments.

(e) Prior to any repayment of any Term Borrowings of any Class under this Section, the Borrower shall select the Borrowing or Borrowings of the applicable Class to be repaid and shall notify the Administrative Agent in writing (via hand delivery, facsimile or other electronic imaging) of such selection not later than 12:00 p.m., New York City time, two Business Days before the scheduled date of such repayment. Each repayment of a Term Borrowing shall be applied ratably to the Loans included in the repaid Term Borrowing. Repayments of Term Borrowings shall be accompanied by accrued interest on the amount repaid.

SECTION 2.11. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, without premium or penalty, subject to Section 2.16.

(b) In the event and on each occasion that the Aggregate Revolving Exposure exceeds the Aggregate Revolving Commitment, the Borrower shall, within one Business Day, prepay its Revolving Borrowings (or, if no such Revolving Borrowings are outstanding, deposit cash collateral in an account with the Administrative Agent in accordance with Section 2.05(i)) in an aggregate amount equal to such excess.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Borrower or any Restricted Subsidiary in respect of any Prepayment Event (including by the Administrative Agent as loss payee in respect of any Prepayment Event described in clause (b) of the definition of the term "Prepayment Event"), the Borrower shall, within five Business Days after such Net Proceeds are received, prepay Term Borrowings in an aggregate amount equal to 100% of the amount of such Net Proceeds (or, (i) with respect to any such Net Proceeds received in respect of the Palm Beach Gardens Facility Sale Leaseback, 50% of the amount of such Net Proceeds and (ii) if the Borrower or any of its Restricted Subsidiaries has incurred Indebtedness that is permitted under Section 6.01 that is secured, on an equal and ratable basis with the Term Loans, by a Lien on the Collateral permitted under Section 6.02, and such Indebtedness is required to be prepaid or redeemed with the Net Proceeds of any event described in clause (a) or (b) of the definition of the term "Prepayment Event", then by such lesser percentage of such Net Proceeds such that such Indebtedness receives no greater than a ratable percentage of such Net Proceeds based upon the aggregate principal amount of the Term

Loans and such Indebtedness then outstanding) (such Net Proceeds amount, as reduced in accordance with the proviso to this paragraph (c), the "Net Proceeds Prepayment Amount"); provided that, in the case of any event described in clause (a) or (b) of the definition of the term "Prepayment Event" (other than the Palm Beach Gardens Facility Sale Leaseback) and so long as no Event of Default under Section 7.01(a), 7.01(b) or, solely with respect to the Borrower, Section 7.01(h) or 7.01(i) has occurred and be continuing, if the Borrower shall, on or prior to the date of the required prepayment, deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Borrower intends to cause the Net Proceeds from such event (or a portion thereof specified in such certificate) to be applied within 365 days after receipt of such Net Proceeds to be reinvested in the business of the Borrower or its Restricted Subsidiaries, or to enter into an acquisition permitted by this Agreement, then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds in respect of such event (or the portion of such Net Proceeds specified in such certificate, if applicable) except to the extent of any such Net Proceeds that have not been so applied by the end of such 365-day period (or within a period of 180 days thereafter if by the end of such initial 365-day period the Borrower or one or more Restricted Subsidiaries shall have committed to invest such proceeds), at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied.

(d) Following the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2022, the Borrower shall prepay Term Borrowings in an aggregate amount equal to the Specified ECF Percentage of Excess Cash Flow for such fiscal year (such amount, as reduced in accordance with the provisos to this paragraph (d), the "ECF Sweep Amount"); provided that such amount shall be reduced on a dollar-for-dollar basis by the aggregate amount of prepayments of Term Borrowings and Revolving Borrowings (but only to the extent accompanied by a permanent reduction of the corresponding Revolving Commitment) made pursuant to paragraph (a) of this Section and the aggregate amount of voluntary prepayments or repurchases of other Indebtedness secured by the Collateral on a pari passu basis to the Liens on the Collateral securing the Obligations, in each case, during such fiscal year (and, at the Borrower's option (and without deducting such amounts against the subsequent fiscal year's prepayment computation pursuant to this paragraph (d)), after the end of such fiscal year but prior to the date on which the prepayment pursuant to Section 2.11(d) for such fiscal year is required to have been made); provided further that, in the case of any Term Loan (or other Indebtedness) prepaid in connection with the purchase thereof by a Purchasing Borrower Party pursuant to Section 9.04(e) at a discount to par (or the below-par purchase or prepayment of any other Indebtedness), the prepayment required pursuant to this Section 2.11(d) shall be reduced, with respect to the prepayment of such Term Loan (or other relevant Indebtedness), only by the actual amount of cash paid to the applicable Lender or Lenders (or other lender(s) or holder(s)) in connection with such purchase. Each prepayment pursuant to this paragraph shall be made on or before the date on which financial statements are delivered pursuant to Section 5.01(a) with respect to the fiscal year for which Excess Cash Flow is being calculated (and in any event not later than the last day on which such financial statements may be delivered in compliance with such Section).

(e) Notwithstanding any other provisions of Section 2.11(c) or (d), (A) to the extent that any of or all the Net Proceeds of any Prepayment Event by or Excess Cash Flow of a Foreign Subsidiary of the Borrower giving rise to a prepayment pursuant to Section 2.11(c) or (d) (a "Foreign Prepayment Event") are prohibited or delayed by applicable local law from being repatriated to the Borrower, the portion of such Net Proceeds or Excess Cash Flow so affected will not be required to be taken into account in determining the amount to be applied to repay Term Loans at the times provided in Section 2.11(c) or (d), as the case may be, and such amounts may be retained by such Subsidiary, and once the Borrower has determined in good faith that such repatriation of any of such affected Net Proceeds or Excess Cash Flow is permitted under the applicable local law, then the amount of such Net Proceeds or Excess Cash Flow will be taken into account as soon as practicable in determining the amount to be applied (net of additional taxes payable or reserved if such amounts were repatriated) to the repayment of the Term Loans pursuant to Section 2.11(c) or (d), as applicable, (B) to the extent that and for so long as the Borrower has determined in good faith that repatriation of any of or all the Net Proceeds of any Foreign Prepayment Event or Excess Cash Flow would have a material adverse tax or cost consequence with respect to such Net Proceeds or Excess Cash Flow, the amount of Net Proceeds or Excess Cash Flow so affected will not be required to be taken into account in determining the amount to be applied to repay Term Loans at the times provided in Section 2.11(c) or Section 2.11(d), as the case may be, and such amounts may be retained by such Subsidiary; provided that when the Borrower determines in good faith that repatriation of any of or all the Net Proceeds of any Foreign Prepayment Event or Excess Cash Flow would no longer have a material adverse tax consequence with respect to such Net Proceeds or Excess Cash Flow, such Net Proceeds or Excess Cash Flow shall be taken into account as soon as practicable in determining the amount to be applied (net of additional taxes payable or reserved against if such amounts were repatriated) to the repayment of the Term Loans pursuant to Section 2.11(c) or Section 2.11(d), as applicable, and (C) to the extent that and for so long as the Borrower has determined in good faith that repatriation of any of or all the Net Proceeds of any Foreign Prepayment Event or Excess Cash Flow would give rise to a risk of liability for the directors of such Subsidiary, the Net Proceeds or Excess Cash Flow so affected will not be required to be taken into account in determining the amount to be applied to repay Term Loans at the times provided in Section 2.11(c) or Section 2.11(d), as the case may be, and such amounts may be retained by such Subsidiary.

(f) Prior to any optional prepayment of Borrowings under this Section, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment delivered pursuant to paragraph (g) of this Section. In the event of any mandatory prepayment of Term Borrowings made at a time when Term Borrowings of more than one Class remain outstanding, the aggregate amount of such prepayment shall be allocated among the Term Borrowings (and, to the extent provided in the Incremental Facility Amendment for any Class of Incremental Term Loans, the Borrowings of such Class) pro rata based on the aggregate principal amount of outstanding Borrowings of each such Class; provided that any Term Lender (and, to the extent provided in the Incremental Facility Amendment for any Class of Incremental Term

Loans, any Lender that holds Incremental Term Loans of such Class) may elect, by notice to the Administrative Agent in writing (via hand delivery, facsimile or other electronic imaging) at least one Business Day prior to the required prepayment date, to decline all or any portion of any prepayment of its Loans pursuant to this Section (other than (x) an optional prepayment pursuant to paragraph (a) of this Section or (y) a mandatory prepayment triggered by an event described in clause (c) of the definition of the term "Prepayment Event", neither of which may be declined), in which case the aggregate amount of the prepayment that would have been applied to prepay such Loans may be retained by the Borrower.

(g) The Borrower shall notify the Administrative Agent (and, in the case of a prepayment of Swingline Loans, the Swingline Lender) in writing (via hand delivery, facsimile or other electronic imaging) of any optional prepayment and, to the extent practicable, any mandatory prepayment hereunder (i) in the case of a prepayment of a Term Benchmark Borrowing, not later than 1:00 p.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of a prepayment of an ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon New York City time, on the date of prepayment; provided that (A) if a notice of optional prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08 and (B) a notice of prepayment of Term Borrowings pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

(h) [Reserved].

(i) If the Spin-Off has not occurred on or prior to the earlier of (x) June 30, 2022 and (y) the date on which Zimmer or the Borrower notifies the Administrative Agent in writing that the Spin-Off will not occur, then (i) the Commitments shall terminate at such time and (ii) the Borrower shall pay all other amounts payable in respect of the Commitments.

SECTION 2.12. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender (other than a Defaulting Lender) in accordance with its Pro Rata Share of the Aggregate Revolving Commitments for the period from and including the Closing Date to but excluding the date on which the Revolving Commitments terminate (or are otherwise reduced to zero), a commitment fee which shall accrue at the Applicable Rate on the average daily unused amount of the aggregate Revolving Commitment of such Revolving Lender. Such accrued commitment fees accrued through and including the last day of March, June, September and December of each year shall be payable in arrears on the fifteenth day following such last day and on the date on which all the Revolving Commitments terminate, commencing on the first such date to occur after the Closing Date. For purposes of computing commitment fees, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender.

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate then used to determine the interest rate applicable to Term Benchmark Revolving Loans on the average daily amount of such Lender's aggregate LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date on which all of such Lender's Revolving Commitments terminate and the date on which such Lender ceases to have any LC Exposure and (ii) to each Issuing Bank a fronting fee, which shall accrue at a rate per annum equal to 0.125% on the average daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date of termination of all the Revolving Commitments and the date on which there ceases to be any such LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the fifteenth day following such last day, commencing on the first such date to occur after the Closing Date; provided that all such fees shall be payable on the date on which all the Revolving Commitments terminate and any such fees accruing after the date on which all the Revolving Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) The Borrower agrees to pay to the Arrangers and the Administrative Agent, for the account of each applicable Arranger and Lender, such other fees as shall have been separately agreed upon in writing (including pursuant to any fee letters entered into between the Administrative Agent, the Arrangers or their respective affiliates and the Borrower, and including upfront fees, which may be in the form of original issue discount to the Loans) in the amounts and at the times so specified.

(e) The Borrower agrees to pay to the Administrative Agent, for the account of each Lender, a ticking fee, which shall accrue from the date that is sixty (60) days after the Effective Date and until the Closing Date and at a rate per annum equal to the product of (i) 0.25% and (ii) the average daily aggregate principal amount of the Commitments outstanding during such period. Ticking fees accrued pursuant to this Section 2.12(e) shall be payable on the earlier of (x) the Closing Date and (y) the termination of the Commitments, and payment of such ticking fee shall be deemed to satisfy the obligation to pay any such ticking fee as shall have been separately agreed upon in writing (including pursuant to any fee letters entered into between the Administrative Agent, the Arrangers or their respective affiliates and the Borrower).

(f) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Revolving Lenders entitled thereto. Fees paid hereunder shall not be refundable under any circumstances.

(g) All commitment fees, participation fees, fronting fees and other fees payable pursuant to this Section 2.12 and all interest shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Adjusted Term SOFR Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, and an Event of Default under Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing, such overdue amount shall bear interest, on and from such date, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.00% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other overdue amount, 2.00% per annum plus the rate applicable to ABR Revolving Loans as provided in paragraph (a) of this Section. Payment or acceptance of the increased rates of interest provided for in this paragraph (c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent, any Issuing Bank or any Lender.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

SECTION 2.14. Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.14, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate or the Term SOFR Rate (including because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the Adjusted Daily Simple SOFR or Daily Simple SOFR; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing

Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for an ABR Borrowing. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.14(a) with respect to the Adjusted Term SOFR Rate, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, an ABR Loan.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the

Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing into a request for a Borrowing of or conversion to an ABR Borrowing. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Adjusted Term SOFR Rate, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.14, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, an ABR Loan.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted Term SOFR Rate) or Issuing Bank;

(ii) impose on any Lender or Issuing Bank or the applicable offshore interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, such Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy and liquidity), then, from time to time, upon the request of such Lender or such Issuing Bank, the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section and the calculation thereof shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as applicable, the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or expenses incurred or reductions suffered more than 180 days prior to the date that such Lender or such Issuing Bank, as applicable, notifies the Borrower of the Change in Law giving rise to such increased costs or expenses or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or expenses or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Notwithstanding any other provision of this Section, no Lender or Issuing Bank shall demand compensation for any increased cost or reduction pursuant to this Section 2.15 if (i) it shall not at the time be the general policy or practice of such Lender or Issuing Bank to demand such compensation in similar circumstances under comparable provisions of other credit agreements and (ii) such increased cost or reduction is due to market disruption, unless such circumstances generally affect the banking market and when the Required Lenders have made such a request.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice may be revoked in accordance with the terms hereof) or (d) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(b) or 9.02(c), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (excluding loss of profit). A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section and the reasons therefor, and showing the calculation thereof, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof. Notwithstanding the foregoing, this Section 2.16 will not apply to losses, costs or expenses resulting from Taxes.

SECTION 2.17. Taxes. (a) Payment Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under this Agreement or any other Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then an additional amount shall be payable by the applicable Loan Party as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent reimburse it for the payment of, any Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.17) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such

Lender, in each case that are payable or paid by the Administrative Agent in connection with this Agreement or any other Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from, or reduction of, withholding Tax with respect to payments made under this Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), 2.17(f)(ii)(B) or 2.17(f)(ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under this Agreement or any other Loan Document, executed originals of IRS Form W-8BEN or Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under this Agreement or any other Loan Document, IRS Form W-8BEN or Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit J-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10-percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-2 or Exhibit J-3, IRS Form W-9 and/or another certification document from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-4 on behalf of each such direct or indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from, or a reduction in, U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under this Agreement or any other Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Effective Date.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts paid pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph, in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this paragraph the payment of which would place such indemnified party in a less favorable net after-Tax position than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) For purposes of this Section 2.17, the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Setoffs. (a) The Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 1:00 p.m., New York City time), on the date when due, in immediately available funds, without any defense, setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account or accounts as may be specified by the Administrative Agent, except that payments required to be made directly to any Issuing Bank or the Swingline Lender shall be so made, payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under this Agreement or any other Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder of principal or interest in respect of any Loan or LC Disbursement shall, except as otherwise expressly provided herein, be made in the currency of such Loan or LC Disbursement; all other payments hereunder and under each other Loan Document shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans, Term Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then

the Lender receiving such greater proportion shall notify the Administrative Agent of such fact and shall purchase (for cash at face value) participations in the Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the aggregate amount of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans, Term Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any Eligible Assignee, to the Borrower or any Subsidiary or other Affiliate thereof in a transaction that complies with the terms of Section 9.04(e) or (f), as applicable. The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption and in its sole discretion, distribute to the Lenders or the Issuing Banks, as applicable, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as applicable, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(d) or (e), 2.06(a) or (b), 2.17(e), 2.18(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations have been discharged and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

(f) The respective obligations of the Lenders under this Agreement are several and not joint and no Lender shall be responsible for the failure of any other Lender to satisfy its obligations hereunder.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if any Loan Party is required to pay any Indemnified Taxes or additional amounts to any Lender or to any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or its participation in any Letter of Credit affected by such event, or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment and delegation (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as applicable, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not be inconsistent with its internal policies or otherwise be disadvantageous to such Lender in any material respect. The Borrower hereby agrees to pay all reasonable and documented assignment fees in connection with any such designation or assignment and delegation.

(b) If (i) any Lender has requested compensation under Section 2.15, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, (iii) any Lender has become a Defaulting Lender, (iv) any Lender has become a Declining Lender under Section 2.22 or (v) any Lender is a Disqualified Institution, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.17) and obligations under this Agreement and the other Loan Documents (or, in the case of any such assignment and delegation resulting from a Lender having become a Declining Lender, all its interests, rights and obligations under this Agreement and the other Loan Documents as a Lender of the applicable Class with respect to which such Lender is a Declining Lender) to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment and delegation); provided that (A) the Borrower shall have received the prior written consent of the Administrative Agent to the extent such consent would be required under Section 9.04(b) for an assignment of Loans or Commitments, as applicable (and, if a Revolving Commitment is being assigned, each Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld or delayed, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and unreimbursed participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued but unpaid fees and all other amounts payable to it hereunder (with such assignment being deemed to be an optional prepayment for purposes of determining the applicability of such Section)) (if applicable, in each case only to the extent such amounts relate to its interest as a Lender of a particular Class) from the assignee (in the case of such principal and

accrued interest and fees or the Borrower (in the case of all other amounts, (C) the Borrower or such assignee shall have paid (unless waived) to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (D) in the case of any such assignment and delegation resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a material reduction in such compensation or payments and (E) such assignment and delegation does not conflict with applicable law. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise (including as a result of any action taken by such Lender under paragraph (a) above), the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply. Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment need not be a party thereto.

SECTION 2.20. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) (i) commitment fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a) and (ii) ticking fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(e);

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank or Swingline Lender hereunder; third, to cash collateralize the Issuing Banks' LC Exposure with respect to such Defaulting Lender in accordance with this Section; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) cash collateralize the Issuing Banks' future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section; sixth, to the payment of any amounts owing to the Lenders, the Issuing Banks or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Bank or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of

its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.03 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure and Swingline Loans is held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(c) the Revolving Commitment, Revolving Exposure and/or Term Commitment of such Defaulting Lender shall not be included in determining whether the Required Lenders or any other requisite Lenders have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders adversely affected thereby shall, except as otherwise provided in Section 9.02, require the consent of such Defaulting Lender in accordance with the terms hereof;

(d) if any Swingline Exposure or LC Exposure exists at the time a Revolving Lender becomes a Defaulting Lender, then:

(i) [reserved];

(ii) all or any part of the Swingline Exposure and LC Exposure (other than (A) in the case of a Defaulting Lender that is a Swingline Lender, the portion of such Swingline Exposure referred to in clause (b) of the definition of such term and (B) any portion thereof attributable to unreimbursed LC Disbursements with respect to which such Defaulting Lender shall have funded its participation as contemplated by Sections 2.05(e) and 2.05(f)) of such Defaulting Lender shall be reallocated among the non-Defaulting Revolving Lenders in accordance with their respective Applicable Percentages but only to the extent that (x) the sum of all non-Defaulting Revolving Lenders' Revolving Exposures plus such Defaulting Lender's LC Exposure does not exceed the sum of all non-Defaulting

Revolving Lenders' Revolving Commitments and (y) such reallocation does not cause the aggregate Revolving Exposure of any non-Defaulting Lender to exceed such non-Defaulting Lender's Revolving Commitment; provided that, subject to Section 9.18, no reallocation under this clause (ii) shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation;

(iii) if the reallocation described in clause (ii) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Banks the portion of such Defaulting Lender's LC Exposure that has not been reallocated in accordance with the procedures set forth in Section 2.05(i) for so long as such LC Exposure is outstanding;

(iv) if any portion of such Defaulting Lender's LC Exposure is cash collateralized pursuant to clause (iii) above, the Borrower shall not be required to pay participation fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such portion of such Defaulting Lender's LC Exposure for so long as such Defaulting Lender's LC Exposure is cash collateralized;

(v) if any portion of the LC Exposure of such Defaulting Lender is reallocated pursuant to clause (ii) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted to give effect to such reallocation;

(vi) [reserved]; and

(vii) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (ii) or (iii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all participation fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Banks (and allocated among them ratably based on the amount of such Defaulting Lender's LC Exposure attributable to Letters of Credit issued by each Issuing Bank) until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, no Swingline Lender shall be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend, renew or extend any Letter of Credit unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be fully covered by the Revolving Commitments of the non-Defaulting Revolving Lenders and/or cash collateral provided by the Borrower in accordance with Section 2.20(d), and Swingline Exposure related to any newly made Swingline Loan or participating interests in any such issued, amended, renewed or extended Letter of Credit will be allocated among the non-Defaulting Revolving Lenders in a manner consistent with Section 2.20(d)(ii) (and such Defaulting Lender shall not participate therein).

In the event that (i) a Bankruptcy Event with respect to a Lender Parent shall occur following the Effective Date and for so long as such Bankruptcy Event shall continue or (ii) any Swingline Lender or applicable Issuing Bank has a good faith belief that any Revolving Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, such Swingline Lender shall not be required to fund any Swingline Loan and such Issuing Bank shall not be required to issue, amend, renew or extend any Letter of Credit, unless such Swingline Lender or such Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or the applicable Revolving Lender, satisfactory to such Swingline Lender or Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower, the Swingline Lender and each applicable Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused the applicable Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such Revolving Lender's Revolving Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the applicable Class of the other Revolving Lenders of such Class (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Revolving Lender to hold such Revolving Loans of such Class in accordance with its Applicable Percentage; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Revolving Lender was a Defaulting Lender; provided further that, except as otherwise expressly agreed by the affected parties, no change hereunder from a Defaulting Lender to a non-Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Revolving Lender's having been a Defaulting Lender.

SECTION 2.21. Incremental Extensions of Credit. (a) At any time and from time to time, commencing on the Closing Date and ending on the latest Maturity Date, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request (i) to add one or more additional tranches of term loans (the "Incremental Term Loans"), (ii) one or more increases in the aggregate amount of any Class of Term Loans (each such increase, a "Incremental Term Loan Increase"), (iii) solely during the Revolving Availability Period, one or more increases in the aggregate amount of the Revolving Commitments (each such increase, a "Revolving Commitment Increase" and, together with the Incremental Term Loans, any Incremental Term Loan Increase and

any Alternative Incremental Facility Debt, the "Incremental Extensions of Credit", together with the Incremental Term Loans, any Revolving Commitment Increase and any Incremental Term Loan Increase, the "Incremental Facilities")) or (iv) Alternative Incremental Facility Debt, in an aggregate principal amount of up to the sum of (x) the greater of (A) $70,000,000 (less the aggregate outstanding principal amount of Cash Management Financing Facilities (as determined at the time of incurrence of such Incremental Facilities in accordance with Section 1.05)) and (B) 50% of Consolidated EBITDA for the most recently ended Test Period (the "Incremental Starter Basket"), plus (y) the amount of any voluntary prepayments of the Term Loans, any Alternative Incremental Facility Debt (to the extent such Alternative Incremental Facility Debt is incurred under the Incremental Starter Basket) and permanent reductions in the amount of the Revolving Commitments, in each case, to the extent not funded with Long-Term Indebtedness (amounts under this clause (y), the "Incremental Prepayment Basket"), plus (z) an unlimited amount at any time (including at any time prior to utilization of the Incremental Starter Basket and the Incremental Prepayment Basket) so long as, in the case of this clause (z), (A) in the case of Indebtedness secured by the Collateral on a pari passu basis with the Term Loans, the Consolidated First Lien Net Leverage Ratio as of the most recent Test Period does not exceed 4.00 to 1.00 on a Pro Forma Basis, (B) in the case of Indebtedness secured by the Collateral on a junior lien basis with the Term Loans, the Consolidated Secured Net Leverage Ratio as of the most recent Test Period does not exceed 4.50 to 1.00 on a Pro Forma Basis and (C) in the case of unsecured Indebtedness, the Consolidated Total Net Leverage Ratio as of the most recent Test Period does not exceed 4.50 to 1.00 on a Pro Forma Basis (amounts under this clause (z), the "Incremental Ratio Basket"); provided that, at the time of each such request and upon the effectiveness of each Incremental Facility Amendment, (A) no Event of Default has occurred and is continuing or shall result therefrom (or, in the event the proceeds of any Incremental Extension of Credit are used to finance any Limited Condition Transaction permitted hereunder for which the Borrower has made an LCT Election, no Event of Default shall exist and be continuing as of the LCT Test Date for such Limited Condition Transaction), (B) the representations and warranties of the Borrower and each other Loan Party, as applicable, set forth in the Loan Documents would be true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality or Material Adverse Effect, in all respects) on and as of the date of, and immediately after giving effect to, the incurrence of such Incremental Extension of Credit (or, if incurred in connection with a Limited Condition Transaction, on the LCT Test Date) (provided that in the event the proceeds of any Incremental Extension of Credit are used to finance any Investment permitted hereunder, such condition precedent related to the making and accuracy of such representations and warranties may be waived or limited as agreed between the Borrower and the Lenders providing such Incremental Extension of Credit, without the consent of any other Lenders) and (C) the Borrower shall have delivered a certificate of a Financial Officer or legal officer to the effect set forth in clauses (A) and (B) above. Each Class of Incremental Term Loans and each Revolving Commitment Increase, shall be in an integral multiple of the $1,000,000 and be in an aggregate principal amount that is not less than $10,000,000; provided that such amount may be less than $10,000,000 if such amount represents all the remaining availability under the aggregate principal amount of Incremental Extensions of Credit set forth above

(b) The Incremental Facilities (i) shall be documented pursuant to an Incremental Facility Amendment and shall rank pari passu, or shall rank junior, in right of payment in respect of the Collateral and with the Obligations in respect of the Revolving Commitments and the Initial Term Loans (or, if not so secured on a pari passu or junior basis to the Obligations, such Incremental Facilities shall be unsecured), (ii) shall not have a borrower other than the Borrower, (iii) shall not be secured by any property or assets of the Borrower or any Restricted Subsidiary other than the Collateral or guaranteed by any Subsidiaries other than the Loan Parties, (iv) shall be denominated in dollar or other foreign currencies as the Borrower and the Lenders under the relevant Incremental Facilities may agree and that are reasonably acceptable to the Administrative Agent, and (v) shall, except as otherwise set forth herein, be on terms and subject to conditions as agreed between the Borrower and the Lenders providing the applicable Incremental Extension of Credit and to the extent such terms (other than with respect to maturity, amortization and pricing) are inconsistent with those governing the other Loans hereunder, the covenants and events of default of any Incremental Facility shall be, when taken as a whole, no more favorable to the Lenders providing the applicable Incremental Facility than the terms governing the Loans hereunder (as determined in good faith by the Borrower in consultation with the Administrative Agent), unless (1) the Lenders receive the benefit of such more restrictive terms (it being understood to the extent that any covenant is added for the benefit of any Incremental Facility, no consent shall be required from the Administrative Agent or any Lender to the extent that such covenant is also added for the benefit of the Lenders), (2) such more restrictive terms only apply after the Latest Maturity Date or (3) such terms shall be reasonably satisfactory to the Administrative Agent and the Borrower; provided, further, that (A) any Incremental Term Loan shall not have (1) a final maturity date earlier than the Latest Maturity Date or (2) a weighted average life to maturity that is shorter than the remaining weighted average life to maturity of the then-remaining Term Loans; provided that the requirements set forth in the foregoing clause (A) shall not apply to any Indebtedness consisting of a customary bridge facility so long as such bridge facility automatically converts into long-term Indebtedness that satisfies this clause (A); (B) any Revolving Commitment Increase shall not have a maturity date that is earlier than the Revolving Maturity Date and shall not require any scheduled amortization or mandatory commitment reductions prior to the Revolving Maturity Date; and (D) any Incremental Term Loan Increase shall be treated the same as the Class of Term Loans being increased (including with respect to maturity date thereof), shall be considered to be part of the Class of Term Loans being increased and shall be on the same terms applicable to such Term Loans. For the avoidance of doubt, (i) the Borrower shall be deemed to have used amounts under the Incremental Ratio Basket (to the extent compliant therewith) prior to utilization of amounts under the Incremental Starter Basket and the Incremental Prepayment Basket, (ii) Indebtedness may be incurred under each of the Incremental Starter Basket, the Incremental Prepayment Basket and the Incremental Ratio Basket, and proceeds from any such incurrence under the Incremental Starter Basket, the Incremental Prepayment Basket and the Incremental Ratio Basket may be utilized in a single transaction by first calculating

the incurrence under the Incremental Ratio Basket and then calculating the incurrence under the Incremental Starter Basket and the Incremental Prepayment Basket and (C) if at any time subsequent to the incurrence of any Incremental Facility or Alternative Incremental Facility Debt in reliance on the Incremental Starter Basket and/or the Incremental Prepayment Basket, any portion of such Incremental Facility or Alternative Incremental Facility Debt could have been incurred instead under the Incremental Ratio Basket because the Borrower meets the applicable requirements of clause (z) under the Incremental Ratio Basket on a pro forma basis at such subsequent time, such portion of such Incremental Facility or Alternative Incremental Facility Debt shall automatically be reclassified at such subsequent time as having been incurred under the Incremental Ratio Basket above without further action by any person.

(c) Any additional bank, financial institution, existing Lender or other Person that elects to extend Incremental Extensions of Credit (other than any Alternative Incremental Facility Debt) (i) shall, to the extent a consent would be required under Section 9.04 if such additional bank, financial institution, existing Lender or other Person were taking an assignment of Loans or Commitments, be approved by the Borrower and the Administrative Agent (and, in the case or any Revolving Commitment Increase, each applicable Issuing Bank) (such approval not be unreasonably withheld) (any such bank, financial institution, existing Lender or other Person being called an "Additional Lender") and (ii) if not already a Lender, shall become a Lender under this Agreement pursuant to an amendment (an "Incremental Facility Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each such Additional Lender and the Administrative Agent. No Lender shall be obligated to provide any Incremental Extension of Credit unless it so agrees. Commitments in respect of any Incremental Extension of Credit (other than any Alternative Incremental Facility Debt) shall become Commitments (or in the case of any Revolving Commitment Increase to be provided by an existing Revolving Lender, an increase in such Lender's Revolving Commitment) under this Agreement upon the effectiveness of the applicable Incremental Facility Amendment. An Incremental Facility Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement or to any other Loan Document as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section (including to provide for voting provisions applicable to the Additional Lenders comparable to the provisions of clause (B) of the second proviso of Section 9.02(b)). The effectiveness of any Incremental Facility Amendment shall be subject to the satisfaction on the effective date thereof of each of the conditions set forth in clauses (a) and (b) of Section 4.03 (it being understood and agreed that all references to a Borrowing in clauses (a) and (b) of Section 4.03 shall be deemed to refer to the applicable Incremental Facility Amendment); provided that if the proceeds of the applicable Incremental Extension of Credit are to be used to finance a Limited Condition Transaction, then (i) the condition precedent set forth in Section 4.03(a) may be limited to (x) customary specified representations and warranties and (y) customary specified acquisition agreement representations and warranties with respect to the Person to be acquired and (ii) the condition precedent set forth in Section 4.03(b) may be limited to Defaults described in clauses (a), (b), (h) and (i) of Section 7.01).

(d) On the date of effectiveness of any Revolving Commitment Increase, (i) the aggregate principal amount of the Revolving Loans outstanding (the "Existing Revolving Borrowings") immediately prior to the effectiveness of such Revolving Commitment Increase shall be deemed to be repaid, (ii) each Revolving Commitment Increase Lender that shall have had a Revolving Commitment prior to the effectiveness of such Revolving Commitment Increase shall pay to the Administrative Agent in same day funds an amount equal to the amount, if any, by which (A) (1) such Revolving Commitment Increase Lender's Applicable Percentage (calculated after giving effect to the effectiveness of such Revolving Commitment Increase) multiplied by (2) the aggregate principal amount of the Resulting Revolving Borrowings (as hereinafter defined) exceeds (B) (1) such Revolving Commitment Increase Lender's Applicable Percentage (calculated without giving effect to the effectiveness of such Revolving Commitment Increase) multiplied by (2) the aggregate principal amount of the Existing Revolving Borrowings, (iii) each Revolving Commitment Increase Lender that shall not have had a Revolving Commitment prior to the effectiveness of such Revolving Commitment Increase shall pay to the Administrative Agent in same day funds an amount equal to (1) such Revolving Commitment Increase Lender's Applicable Percentage (calculated after giving effect to the effectiveness of such Revolving Commitment Increase) multiplied by (2) the aggregate principal amount of the Resulting Revolving Borrowings, (iv) after the Administrative Agent receives the funds specified in clauses (ii) and (iii) above, the Administrative Agent shall pay to each Revolving Lender of the applicable Class the portion of such funds that is equal to the amount, if any, by which (A) (1) such Revolving Lender's Applicable Percentage (calculated without giving effect to the effectiveness of such Revolving Commitment Increase) multiplied by (2) the aggregate principal amount of the Existing Revolving Borrowings, exceeds (B) (1) such Revolving Lender's Applicable Percentage (calculated after giving effect to the effectiveness of such Revolving Commitment Increase) multiplied by (2) the aggregate principal amount of the Resulting Revolving Borrowings, (v) after the effectiveness of such Revolving Commitment Increase, the Borrower shall be deemed to have made new Revolving Borrowings (the "Resulting Revolving Borrowings") in an aggregate principal amount equal to the aggregate principal amount of the Existing Revolving Borrowings and of the Types and for the Interest Periods specified in a Borrowing Request delivered to the Administrative Agent in accordance with Section 2.03 (and the Borrower shall deliver such Borrowing Request), (vi) each Revolving Lender of the applicable Class shall be deemed to hold its Applicable Percentage of each Resulting Revolving Borrowing (calculated after giving effect to the effectiveness of such Revolving Commitment Increase) and (vii) the Borrower shall pay each Revolving Lender any and all accrued but unpaid interest on its Loans comprising the Existing Revolving Borrowings. The deemed payments of the Existing Revolving Borrowings made pursuant to clause (i) above shall be subject to compensation by the Borrower pursuant to the provisions of Section 2.16 if the date of the effectiveness of such Revolving Commitment Increase occurs other than on the last day of the Interest Period relating thereto. Upon each Revolving Commitment Increase pursuant to this Section, each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Revolving Commitment Increase Lender, and each such Revolving Commitment Increase Lender will automatically and

without further act be deemed to have assumed, a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit such that, after giving effect to such Revolving Commitment Increase and each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit held by each Revolving Lender (including each such Revolving Commitment Increase Lender) will equal such Revolving Lender's Applicable Percentage.

(e) Notwithstanding anything to the contrary contained in this Section 2.21, unless the Administrative Agent shall agree otherwise, after giving effect to any transaction contemplated in this Section 2.21, there shall not be more than ten Classes of Loans or Commitments (including any revolving and term loan facilities) hereunder at any one time outstanding.

SECTION 2.22. Extension of Maturity Date.

(a) The Borrower may, by delivery of a Maturity Date Extension Request to the Administrative Agent (which shall promptly deliver a copy thereof to each of the Lenders) not less than 30 days prior to the then-existing Maturity Date for the applicable Class of Commitments and/or Loans hereunder to be extended (the "Existing Maturity Date"), request that the Lenders extend the Existing Maturity Date in accordance with this Section; provided that, for the avoidance of doubt, each Lender may elect to agree or not agree, in its sole discretion, to an extension of a Maturity Date. Each Maturity Date Extension Request shall (i) specify the applicable Class of Commitments and/or Loans hereunder to be extended, (ii) specify the date to which the applicable Maturity Date is sought to be extended, (iii) specify the changes, if any, to the Applicable Rate to be applied in determining the interest payable on the Loans of, and fees payable hereunder to, Consenting Lenders (as defined below) in respect of that portion of their Commitments and/or Loans extended to such new Maturity Date and the time as of which such changes will become effective (which may be prior to the Existing Maturity Date) and (iv) specify any other amendments or modifications to this Agreement to be effected in connection with such Maturity Date Extension Request; provided that no such changes or modifications requiring approvals pursuant to the provisos to Section 9.02(b) shall become effective prior to the Existing Maturity Date unless such other approvals have been obtained. In the event a Maturity Date Extension Request shall have been delivered by the Borrower, each Lender shall have the right to agree to the extension of the Existing Maturity Date and other matters contemplated thereby on the terms and subject to the conditions set forth therein (each Lender agreeing to the Maturity Date Extension Request being referred to herein as a "Consenting Lender" and each Lender not agreeing thereto being referred to herein as a "Declining Lender"), which right may be exercised by written notice thereof, specifying the maximum amount of the Commitment and/or Loans of such Lender with respect to which such Lender agrees to the extension of the Maturity Date, delivered to the Borrower (with a copy to the Administrative Agent) not later than a day to be agreed upon by the Borrower and the Administrative Agent following the date on which the Maturity Date Extension Request shall have been delivered by the Borrower (it being understood and agreed that any Lender that shall have failed to exercise such right as set forth above shall

be deemed to be a Declining Lender). If a Lender elects to extend only a portion of its then existing Commitment and/or Loans, it will be deemed for purposes hereof to be a Consenting Lender in respect of such extended portion and a Declining Lender in respect of the remaining portion of its Commitment and/or Loans, and the aggregate principal amount of each Type of Loans of the applicable Class of such Lender shall be allocated ratably among the extended and non-extended portions of the Loans of such Lender based on the aggregate principal amount of such Loans so extended and not extended. If Consenting Lenders shall have agreed to such Maturity Date Extension Request in respect of Commitments and/or Loans held by them, then, subject to paragraph (d) of this Section, on the date specified in the Maturity Date Extension Request as the effective date thereof (the "Extension Effective Date"), (i) the Existing Maturity Date of the applicable Commitments and/or Loans shall, as to the Consenting Lenders, be extended to such date as shall be specified therein, (ii) the terms and conditions of the applicable Commitments and/or Loans of the Consenting Lenders (including interest and fees (including Letter of Credit fees) payable in respect thereof) shall be modified as set forth in the Maturity Date Extension Request and (iii) such other modifications and amendments hereto specified in the Maturity Date Extension Request shall (subject to any required approvals (including those of the Required Lenders) having been obtained) become effective. For the avoidance of doubt, the obligation of any Issuing Bank to issue Letters of Credit under this Agreement shall not be extended beyond the Maturity Date applicable thereto without the consent of such Issuing Bank.

(b) Notwithstanding the foregoing, the Borrower shall have the right, in accordance with the provisions of Sections 2.19(b) and 9.04, at any time prior to the Existing Maturity Date, to replace a Declining Lender (for the avoidance of doubt, only in respect of that portion of such Lender's Commitment and/or Loans subject to a Maturity Date Extension Request that it has not agreed to extend) with a Lender or other financial institution that will agree to such Maturity Date Extension Request, and any such replacement Lender shall for all purposes constitute a Consenting Lender in respect of the Commitment and/or Loans assigned to and assumed by it on and after the effective time of such replacement.

(c) If a Maturity Date Extension Request has become effective hereunder:

(i) solely in respect of a Maturity Date Extension Request that has become effective in respect of the Revolving Commitments, not later than the fifth Business Day prior to the Existing Maturity Date, the Borrower shall make prepayments of Revolving Loans and shall provide cash collateral in respect of Letters of Credit, in each case, in the manner set forth in Section 2.05(i), such that, after giving effect to such prepayments and such provision of cash collateral, the Aggregate Revolving Exposure as of such date will not exceed the aggregate Revolving Commitments of the Consenting Lenders extended pursuant to this Section (and the Borrower shall not be permitted thereafter to request any Revolving Loan or any issuance, amendment, renewal or extension of a Letter of Credit if, after giving effect thereto, the Aggregate Revolving Exposure would exceed the aggregate amount of the Revolving Commitments so extended);

(ii) solely in respect of a Maturity Date Extension Request that has become effective in respect of the Revolving Commitments, on the Existing Maturity Date, the Revolving Commitment of each Declining Lender shall, to the extent not assumed, assigned or transferred as provided in paragraph (b) of this Section, terminate, and the Borrower shall repay all the Revolving Loans made by each Declining Lender to the Borrower to the extent such Loans shall not have been so purchased, assigned and transferred, in each case together with accrued and unpaid interest and all fees and other amounts owing to such Declining Lender hereunder, it being understood and agreed that, subject to satisfaction of the conditions set forth in Section 4.03, such repayments may be funded with the proceeds of new Revolving Borrowings made simultaneously with such repayments by the Consenting Lenders, which such Revolving Borrowings shall be made ratably by the Consenting Lenders in accordance with their extended Revolving Commitments; and

(iii) solely in respect of a Maturity Date Extension Request that has become effective in respect of a Class of Term Loans, on the Existing Maturity Date, the Borrower shall repay all the Loans of such Class made by each Declining Lender to the Borrower, to the extent such Loans shall not have been so purchased, assigned and transferred, in each case together with accrued and unpaid interest and all fees and other amounts owing to such Declining Lender hereunder, it being understood and agreed that, subject to satisfaction of the conditions set forth in Section 4.03, such repayments may be funded with the proceeds of new Revolving Borrowings made simultaneously with such repayments by the Revolving Lenders.

(d) Notwithstanding the foregoing, no Maturity Date Extension Request shall become effective hereunder unless, on the Extension Effective Date, the conditions set forth in clauses (a) and (b) of Section 4.03 shall be satisfied (with all references in such Section to a Borrowing being deemed to be references to such Maturity Date Extension Request) and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower.

(e) Notwithstanding any provision of this Agreement to the contrary, it is hereby agreed that no extension of an Existing Maturity Date in accordance with the express terms of this Section, or any amendment or modification of the terms and conditions of the Commitments and the Loans of the Consenting Lenders effected pursuant thereto, shall be deemed to (i) violate the last sentence of Section 2.08(c) or Section 2.18(b) or 2.18(c) or any other provision of this Agreement requiring the ratable reduction of Commitments or the ratable sharing of payments or (ii) require the consent of all Lenders or all affected Lenders under Section 9.02(b) (except if any other amendments or modifications to this Agreement to be effected in connection with a Maturity Date Extension Request require such approvals).

(f) The Borrower, the Administrative Agent and the Consenting Lenders may enter into an amendment to this Agreement to effect such modifications as may be necessary to reflect the terms of any Maturity Date Extension Request that has become effective in accordance with the provisions of this Section.

(g) Notwithstanding anything to the contrary contained in this Section 2.22, unless the Administrative Agent shall agree otherwise, after giving effect to any transaction contemplated in this Section 2.22, there shall not be more than ten Classes of Loans or Commitments (including any revolving and term loan facilities) hereunder at any one time outstanding.

SECTION 2.23. Refinancing Facilities. (a) The Borrower may, on one or more occasions, by written notice to the Administrative Agent, obtain Refinancing Term Loan Indebtedness. Each such notice shall specify the date (each, a "Refinancing Effective Date") on which the Borrower proposes that such Refinancing Term Loan Indebtedness shall be made, which shall be a date not less than five Business Days after the date on which such notice is delivered to the Administrative Agent; provided that:

(i) no Event of Default of the type set forth in Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing;

(ii) substantially concurrently with the incurrence of such Refinancing Term Loan Indebtedness, the Borrower shall repay or prepay then outstanding Term Borrowings of the applicable Class made to the Borrower (together with any accrued but unpaid interest thereon and any prepayment premium with respect thereto) in an aggregate principal amount equal to the Net Proceeds of such Refinancing Term Loan Indebtedness, and any such prepayment of Term Borrowings of such Class shall be applied to reduce the subsequent scheduled repayments of Term Borrowings of such Class to be made pursuant to Section 2.09(a) ratably;

(iii) such notice shall set forth, with respect to the Refinancing Term Loan Indebtedness established thereby in the form of Refinancing Term Loans, to the extent applicable, the following terms thereof: (a) the designation of such Refinancing Term Loans as a new "Class" for all purposes hereof, (b) the stated termination and maturity dates applicable to the Refinancing Term Loans of such Class, (c) amortization applicable thereto and the effect thereon of any prepayment of such Refinancing Term Loans, (d) the interest rate or rates applicable to the Refinancing Term Loans of such Class, (e) the fees applicable to the Refinancing Term Loans of such Class, (f) any original issue discount applicable thereto, (g) the initial Interest Period or Interest Periods applicable to Refinancing Term

Loans of such Class and (h) any voluntary or mandatory commitment reduction or prepayment requirements applicable to Refinancing Term Loans of such Class (which prepayment requirements may provide that such Refinancing Term Loans may participate in any mandatory prepayment on a pro rata basis or less than a pro rata basis with any Class of existing Term Loans, but may not provide for prepayment requirements that are more favorable to the Lenders holding such Refinancing Term Loans than to the Lenders holding such Class of Term Loans) and any restrictions on the voluntary or mandatory reductions or prepayments of Refinancing Term Loans of such Class, and

(iv) such Refinancing Term Loan Indebtedness will, to the extent secured, rank pari passu or junior in right of payment and/or of security with the other Loans and Commitments hereunder, in the case of junior Refinancing Term Loan Indebtedness, on the terms set out in an Acceptable Intercreditor Agreement.

(b) Any Lender or any other Eligible Assignee approached by the Borrower to provide all or a portion of the Refinancing Term Loan Indebtedness may elect or decline, in its sole discretion, to provide any Refinancing Term Loan Indebtedness.

(c) Any Refinancing Term Loans shall be established pursuant to a Refinancing Facility Agreement executed and delivered by the Borrower, each Refinancing Term Lender providing such Refinancing Term Loan and the Administrative Agent, which shall be consistent with the provisions set forth in clause (a) above (but which shall not require the consent of any other Lender). Each Refinancing Facility Agreement shall be binding on the Lenders, the Loan Parties and the other parties hereto and may effect amendments to the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.23, including any amendments necessary to treat such Refinancing Term Loans as a new "Class" of loans hereunder. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Facility Agreement.

(d) Notwithstanding anything to the contrary contained in this Section 2.23, unless the Administrative Agent shall agree otherwise, after giving effect to any transaction contemplated in this Section 2.23, there shall not be more than ten Classes of Loans or Commitments (including any revolving and term loan facilities) hereunder at any one time outstanding.

ARTICLE III

Representations and Warranties

The Borrower (with respect to itself and, where applicable, the Restricted Subsidiaries) represents and warrants to the Administrative Agent, each of the Issuing Banks and each of the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Borrower and the Restricted Subsidiaries (a) is duly organized, validly existing and, to the extent that such concept is applicable in the relevant jurisdiction, in good standing (to the extent such concept exists in the relevant jurisdictions) under the laws of the jurisdiction of its organization (except, in the case of any Restricted Subsidiary, to the extent the failure to be in good standing could not (either individually or in the aggregate) reasonably be expected to result in a Material Adverse Effect), (b) has the corporate or other organizational power and authority to carry on its business as now conducted, to execute, deliver and perform its obligations under this Agreement and each other Loan Document and (c) except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and, to the extent that such concept exists in the relevant jurisdiction, is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Due Execution and Delivery; Enforceability. This Agreement has been duly authorized, executed and delivered by the Borrower and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of the Borrower or such Loan Party, as applicable, enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. Except as set forth on Schedule 3.03, the execution, delivery and performance by each Loan Party of each Loan Document to which it is a party (a) as of the date such Loan Document is executed, do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except (i) filings necessary to perfect Liens created under the Loan Documents or (ii) where failure to obtain such consent or approval, or make such registration or filing, in the aggregate, would not reasonably be expected to have a Material Adverse Effect, (b) will not violate any Requirement of Law applicable to the Borrower or any Restricted Subsidiary, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any Restricted Subsidiary or their respective assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by the Borrower or any Restricted Subsidiary or give rise to a right of, or result in, termination, cancelation or acceleration of any obligation thereunder, except with respect to any violation, default, payment, repurchase, redemption, termination, cancellation or acceleration under this clause (c) or clause (b) above that would not reasonably be expected to have a Material Adverse Effect and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any Restricted Subsidiary, except Liens created under the Loan Documents or permitted by Section 6.02.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Reviewed Financial Statements and the Unaudited Financial Statements present fairly, in all material respects, the financial position of the Borrower and the Subsidiaries on a combined consolidated basis as of such dates and their results of operations and cash flows for the period covered thereby, and were prepared in accordance with GAAP consistently applied throughout the period covered thereby except as otherwise expressly noted therein, subject to normal year-end audit adjustments and, in the case of the Unaudited Financial Statements, the absence of footnotes.

(b) Except as set forth in the financial statements referred to in this Section 3.04 and the Effective Date Form 10, since the Effective Date, no event, change or condition has occurred that has had, or would reasonably be expected to have, a Material Adverse Effect.

SECTION 3.05. Properties. (a) Each of the Borrower and the Restricted Subsidiaries has good title to, or valid leasehold (or license or similar) interests in or other limited property interests in, all its real and personal property necessary for the conduct of its business (including the Mortgaged Properties), (i) free and clear of Liens, other than Liens expressly permitted by Section 6.02 and (ii) except for minor defects in title or interest that do not interfere with its ability to conduct its business as currently conducted or as proposed to be conducted or to utilize such properties for their intended purposes, in each case, except where the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) To the knowledge of the Borrower or any Restricted Subsidiary, (i) each of the Borrower and the Restricted Subsidiaries owns, or has a valid and enforceable right to use all IP Rights that are used in its business as currently conducted, and (ii) the use thereof by the Borrower and each Restricted Subsidiary does not infringe upon, misappropriate or otherwise violate the rights of any other Person, except, in each case of (i) and (ii), for any such failures to own or have rights to use, or any such infringements, misappropriations or other violations that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No claim or litigation regarding any IP Rights owned or used by the Borrower or any Restricted Subsidiary is pending or, to the knowledge of the Borrower or any Restricted Subsidiary, threatened in writing against the Borrower or any Restricted Subsidiary that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. Except as set forth in the financial statements referred to in Section 3.04 and the Effective Date Form 10:

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any Restricted Subsidiary that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, none of the Borrower or any Restricted Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability or, to the knowledge of the Borrower or any Restricted Subsidiary, there is a reasonable basis for any such Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability, or (iv) is reasonably expected to incur any Environmental Liability with respect to any Release on, at or from any real property now or previously owned, leased or operated by it.

SECTION 3.07. Compliance with Laws. Each of the Borrower and the Restricted Subsidiaries is in compliance with all Requirements of Law, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Sanctions; Anti-Corruption Laws. The Borrower has implemented and maintains in effect policies and procedures designed to promote compliance by the Borrower, the Subsidiaries and their respective directors, officers, agents and employees with Anti-Corruption Laws and applicable Sanctions, and the Borrower and the Subsidiaries and their respective directors, officers, agents and employees (when acting in their role as directors, officers, agents and employees) are in material compliance with Anti-Corruption Laws and applicable Sanctions. None of the Borrower, any Subsidiary or any of their respective directors, officers or, to the Borrower's knowledge, employees or agents is a Sanctioned Person.

SECTION 3.09. Investment Company Status. None of the Borrower or any other Loan Party is required to register as an "investment company" under the Investment Company Act.

SECTION 3.10. Federal Reserve Regulations. None of the Borrower or any Restricted Subsidiary is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Federal Reserve Board) or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of the Loans will be used, directly or indirectly, for any purpose that violates the provisions of Regulations U or X of the Federal Reserve Board.

SECTION 3.11. Taxes. Except to the extent that failure to do so would not reasonably be expected to result in a Material Adverse Effect, each of the Borrower and each Restricted Subsidiary (a) has timely filed or caused to be filed all Tax returns and reports required to have been filed by it and (b) has paid or caused to be paid all Taxes required to have been paid by it, except where the validity or amount thereof is being contested in good faith by appropriate proceedings and where the Borrower or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves therefor in conformity with GAAP.

SECTION 3.12. ERISA. (a) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur.

(b) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) each Foreign Pension Plan is in compliance in all material respects with all Requirements of Law applicable thereto and the respective requirements of the governing documents for such plan, (ii) with respect to each Foreign Pension Plan, none of the Borrower, its Affiliates or any of their respective directors, officers, employees or agents has engaged in a transaction that could subject the Borrower or any Restricted Subsidiary, directly or indirectly, to a tax or civil penalty and (iii) with respect to each Foreign Pension Plan, any underfunding has been reflected in the financial statements furnished to Lenders in accordance with GAAP.

SECTION 3.13. Disclosure. As of the Effective Date, neither the Lender Presentation nor any of the other reports, financial statements, certificates or other written information furnished by or on behalf of the Borrower or any Restricted Subsidiary to the Arrangers, the Administrative Agent, any Issuing Bank or any Lender on or before the Effective Date in connection with the negotiation of this Agreement or any other Loan Document, included herein or therein or furnished hereunder or thereunder (as modified or supplemented by other information so furnished and taken as a whole) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Borrower represents only that such information, when taken as a whole, was prepared in good faith based upon assumptions believed by it to be reasonable at the time so furnished (it being understood and agreed that (i) such projected financial information is merely a prediction as to future events and are not to be viewed as facts, (ii) such projected financial information is subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower or any of the Restricted Subsidiaries and (iii) no assurance can be given that any particular projected financial information will be realized and that actual results during the period or periods covered by any such projected financial information may differ significantly from the projected results and such differences may be material).

SECTION 3.14. Subsidiaries. As of the Closing Date, Schedule 3.14 (which shall be delivered at least three Business Days prior to the Closing Date and shall be reasonably satisfactory to the Administrative Agent) sets forth the name of, and the ownership interest of the Borrower and each Subsidiary in, each Subsidiary and identifies each Subsidiary that will be a Loan Party as of the Closing Date, after giving effect to the Transactions.

SECTION 3.15. Solvency. As of the Closing Date, after giving effect to the Transactions and the rights of indemnification, subrogation and contribution under the Security Documents, (a) the fair value of the assets of the Borrower and the Restricted Subsidiaries, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of the Borrower and the Restricted Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) the Borrower and the Restricted Subsidiaries, taken as a whole, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (d) the Borrower and the Restricted Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Closing Date. For purposes of this Section, the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

SECTION 3.16. Collateral Matters. (a) Each Security Document, is effective to create (to the extent described therein) in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid, enforceable security interest in the Collateral to the extent intended to be created thereby and (x) when all financing statements and other appropriate filings or recordings are made in the appropriate offices as may be required under applicable law and filings and recordation with the United States Patent and Trademark Office and the United States Copyright Office (which filings or recordings shall be made to the extent required by the applicable Security Document) and (y) when the taking of possession by the Administrative Agent of such Collateral with respect to which a security interest may be perfected by possession (which possession shall be given to the Administrative Agent to the extent possession by the Administrative Agent is required by the applicable Security Document) occurs, then the security interests created by the Security Documents shall constitute so far as possible under relevant law fully perfected Liens on, and security interests in (in each case with respect to such Liens and security interests, to the extent intended to be created thereby and required to be perfected under the Loan Documents) all right, title and interest of the Loan Parties in such Collateral in each case free and clear of any Liens other than Liens permitted under Section 6.02 (it being understood and agreed, in respect of Collateral constituting IP Rights, that subsequent recordings in the United States Patent and Trademark Office or the United States Copyright Office may be necessary pursuant to Section 4.05(e) of the Collateral Agreement or to perfect a security interest in such IP Rights included in the Collateral acquired by the Loan Parties after the Closing Date).

(b) Each Mortgage, upon execution and delivery thereof by the parties thereto, will create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in all the applicable mortgagor's right, title and interest in and to the Mortgaged Properties subject thereto and the proceeds thereof under the laws of the relevant jurisdiction as indicated in the Mortgage, and when the Mortgages have been filed in the jurisdictions specified therein, the Mortgages will constitute a fully perfected security interest in all right, title and interest of the mortgagors in the Mortgaged Properties and the proceeds thereof under the laws of the relevant jurisdiction as indicated in the Mortgage, prior and superior in right to any other Person, but subject to Liens permitted under Section 6.02.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. This Agreement shall become effective on and as of the first date (the "Effective Date") on which each of the following conditions shall be satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include facsimile transmission or other electronic imaging of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders) of Moore & Van Allen PLLC, counsel for the Borrower, dated as of the Effective Date and in form and substance reasonably satisfactory to the Administrative Agent.

(c) The Administrative Agent shall have received a copy of (i) each organizational document of the Borrower certified, to the extent applicable, as of a recent date by the applicable Governmental Authority, (ii) signature and incumbency certificates of the responsible officers of the Borrower executing the Loan Documents to which it is a party, (iii) copies of resolutions of the board of directors or managers, shareholders, partners, and/or similar governing bodies of the Borrower approving and authorizing the execution, delivery and performance of Loan Documents to which it is a party, certified as of the Effective Date by a secretary, an assistant secretary or a responsible officer of the Borrower as being in full force and effect without modification or amendment and (iv) a good standing certificate (to the extent such concept, or an analogous concept, exists) from the applicable Governmental Authority of the Borrower's jurisdiction of incorporation, organization or formation.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Financial Officer or the President or a Vice President of the Borrower, certifying that (i) the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality or Material Adverse Effect, in all respects) on and as of the Effective Date, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be true and correct in all material respects (or in all respects, as applicable) as of such earlier date and (ii) on and as of the Effective Date, no Default or Event of Default shall have occurred and be continuing.

(e) (i) The Administrative Agent shall have received, at least three Business Days prior to the Effective Date, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act, that has been requested at least ten Business Days prior to the Effective Date and (ii) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation and a Lender has requested in a written notice to the Borrower at least ten Business Days prior to the Effective Date a Beneficial Ownership Certification in relation to the Borrower, such Lender shall have received such Beneficial Ownership Certification with respect to the Borrower at least three Business Days prior to the Effective Date (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the conditions set forth in this clause (e) shall be deemed to be satisfied).

SECTION 4.02. Closing Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall be subject to the conditions precedent that the Effective Date shall have occurred and that the following conditions have been satisfied (the first such date that such conditions shall be satisfied and the initial Credit Extension made hereunder being the "Closing Date"):

(a) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders) of local counsel in each jurisdiction in which a Loan Party is organized, as may be reasonably requested by the Administrative Agent, in each case dated as of the Closing Date and in form and substance reasonably satisfactory to the Administrative Agent.

(b) The Administrative Agent shall have received a copy of (i) each organizational document of each Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority (or, in the case of the Borrower, a certification from a responsible officer of the Borrower that such organizational documents have not been amended or otherwise modified since the Effective Date), (ii) signature and incumbency certificates of the responsible officers of each Loan Party (other than the Borrower) executing the Loan Documents to which it is a party, (iii) copies of resolutions of the board of directors or managers, shareholders, partners, and/or similar governing bodies of each Loan Party (other than the Borrower) approving and authorizing the execution, delivery and performance of Loan Documents to which it is a party, certified as of the Effective Date by a secretary, an assistant secretary or a responsible officer of such Loan Party as being in full force and effect without modification or amendment and (iv) a good standing certificate (to the extent such concept, or an analogous concept, exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation.

(c) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Financial Officer or the President or a Vice President of the Borrower, confirming (i) that since the Effective Date, no action or inaction shall have been taken, or not taken, respectively, by the Borrower or any Restricted Subsidiary (as

applicable) that would have violated any covenant set forth in Section 5.04, Section 5.06, the first or third sentences of Section 5.07 or Article VI if such covenants had been in effect from the Effective Date through the Closing Date, (ii) that the terms of each Spin-Off Document are consistent in all material respects with the information set forth in the Form 10, (iii) each of the Spin-Off Documents attached as exhibits to the Form 10 are consistent in all material respects with the summaries thereof included in the Effective Date Form 10, (iv) that the Form 10 does not contain any amendments, supplements or other modifications to or of the Effective Date Form 10 that are materially adverse to the rights or interests of the Lenders unless, for the avoidance of doubt, approved by the Administrative Agent in accordance with the definition of Form 10 and (v) compliance with the conditions set forth in in paragraphs (a) and (b) of Section 4.03 (after giving effect to consummation of the Spin-Off).

(d) Except as provided by Section 5.15 herein, the Collateral and Guarantee Requirement shall have been satisfied, and the Administrative Agent, on behalf of the Secured Parties, shall have a perfected security interest in the Collateral of the type and priority described in each Security Document (except as otherwise set forth in the Collateral and Guarantee Requirement or Section 5.15). The Administrative Agent shall have received a completed Perfection Certificate dated the Closing Date and signed by a Financial Officer or legal officer of Borrower, together with all attachments contemplated thereby.

(e) The Administrative Agent shall have received (x) evidence that the insurance required by Section 5.07 and the Security Documents is in effect; provided that to the extent that, notwithstanding its use of commercially reasonable efforts in respect thereof, the Borrower is unable to comply with Section 5.07, such compliance shall not constitute a condition precedent under this Section 4.02 but shall instead be required within 90 days following the Closing Date (or such longer period as the Administrative Agent may agree in its reasonable discretion) and (y) any financial statements that would have been required to be delivered under Sections 5.01(a) or (b) after the Effective Date if such covenants had been in effect from the Effective Date through the Closing Date.

(f) The Lenders shall have received a certificate from a Financial Officer of the Borrower, substantially in the form of Exhibit L, certifying as to the solvency of the Borrower and its Restricted Subsidiaries as of the Closing Date on a consolidated basis after giving effect to the Transactions.

(g) The Transactions (including the Spin-Off and the effectiveness of the Spin-Off Documents) shall have been consummated or satisfactory arrangements shall have been implemented providing that within five (5) Business Days of the initial funding of the Loans on the Closing Date, the Transactions shall be consummated, in accordance with applicable law and the Distribution Agreement and, in all material respects, consistent with the information set forth in the Form 10.

(h) The Lenders shall have received a copy of each material Spin-Off Document and each other Spin-Off Document requested by the Administrative Agent, each substantially in final form (subject to further changes or updates that are not material and adverse to the rights or interests of the Lenders) and certified by a Financial Officer or legal officer of the Borrower as being complete and correct in all material respects.

(i) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced at least three Business Days prior to the Closing Date (or such shorter period agreed by the Borrower in its sole discretion), reimbursement or payment of all reasonable, documented and invoiced out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party hereunder, under any other Loan Document or under any other agreement entered into by any of the Arrangers, the Administrative Agent and the Lenders, on the one hand, and the Borrower, on the other hand.

(j) The Borrower shall have delivered to the Administrative Agent the notice required by Section 2.03.

(k) The Administrative Agent shall have received a copy of a post-closing group structure chart (after giving effect to the Transactions).

The Administrative Agent shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 11:59 p.m., New York City time, on the Closing Date.

SECTION 4.03. Each Credit Event. On or after the Closing Date, the obligations of the Lenders to make Loans on the occasion of any Borrowing (except for the Borrowings under any Incremental Facility, which may be limited to the extent otherwise provided in the applicable Incremental Facility Amendment in accordance with Section 2.21(c)), and of the Issuing Banks to issue, amend, renew or extend any Letter of Credit, is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (or, in the case of representations and warranties qualified as to materiality or Material Adverse Effect, in all respects) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except in the case of any such representation and warranty that expressly relates to a prior date, in which case such representation and warranty shall be true and correct in all material respects (or in all respects, as applicable) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) The Borrower shall have delivered to the Administrative Agent a request for Borrowing that complies with the requirements set forth in Section 2.03.

(d) Each Borrowing (provided that a conversion or a continuation of a Borrowing shall not constitute a "Borrowing" for purposes of this Section 4.03) (other than as set forth above in this Section with respect to a Borrowing under any Incremental Facility the proceeds of which are used to finance a Limited Condition Transaction), and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 4.03.

(e) At the time of and immediately after giving effect to any Revolving Borrowing, on a Pro Forma Basis the Borrower would be in compliance with Section 6.13.

ARTICLE V

Affirmative Covenants

From and including the Closing Date and until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document shall have been paid in full and all Letters of Credit (other than those collateralized or back-stopped on terms reasonably satisfactory to the applicable Issuing Bank) shall have expired or been terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent, which shall furnish to each Lender, the following:

(a) within 90 days after the end of each fiscal year of the Borrower (or such later date as Form 10-K of the Borrower is required to be filed with the SEC taking into account any extension granted by the SEC, provided that the Borrower gives the Administrative Agent notice of any such extension), beginning with the fiscal year ending December 31, 2021, its audited consolidated balance sheet and audited statements of consolidated operations, shareholders' equity and cash flows as of the end of and for such fiscal year, and related notes thereto, and commencing with the fiscal year ending December 31, 2022, setting forth in each case in comparative form the figures for the previous fiscal year, prepared in accordance with generally accepted auditing standards and reported on by an independent public accountants of recognized national standing (without a "going concern" or like qualification, exception or statement and without any

qualification or exception as to the scope of such audit, but may contain a "going concern" or like qualification that is due to (i) an upcoming maturity date of any Indebtedness occurring within one year from the time such opinion is delivered or (ii) any potential inability to satisfy a financial maintenance covenant on a future date or in any future period) to the effect that such financial statements present fairly in all material respects the financial condition, results of operations and cash flow of the Borrower and its Subsidiaries on a consolidated basis as of the end of and for such fiscal year and accompanied by a narrative report describing the financial position, results of operations and cash flow of the Borrower and its consolidated Subsidiaries;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or such later date as Form 10-Q of the Borrower is required to be filed with the SEC taking into account any extension granted by the SEC, provided that the Borrower gives the Administrative Agent notice of any such extension), its unaudited combined balance sheet and unaudited consolidated statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries on a consolidated basis as of the end of and for such fiscal quarter and such portion of the fiscal year in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, and accompanied by a narrative report describing the financial position, results of operations and cash flow of the Borrower and its consolidated Subsidiaries;

(c) concurrently with each delivery of financial statements under clause (a) or (b) above for any fiscal period ending after the Closing Date, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and is continuing and, if a Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations (A) demonstrating compliance with the covenant contained in Section 6.13 and (B) in the case of financial statements delivered under clause (a) above and, solely to the extent the Borrower would be required to prepay the Term Loans pursuant to Section 2.11(d), beginning with the financial statements for the fiscal year of the Borrower ending December 31, 2022, of Excess Cash Flow and (iii) at any time when there is any Unrestricted Subsidiary, including as an attachment with respect to each such financial statement, an Unrestricted Subsidiary Reconciliation Statement (except to the extent that the information required thereby is separately provided with the public filing of such financial statement);

(d) within 100 days after the end of each fiscal year of the Borrower (or such longer period as permitted under Section 5.01(a)), a detailed consolidated budget for the current fiscal year (including a projected combined balance sheet and combined statements of projected operations and cash flows as of the end of and for such fiscal year and setting forth the assumptions used for purposes of preparing such budget);

(e) [reserved];

(f) promptly after the same becomes publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Restricted Subsidiary with the SEC or with any national securities exchange, or distributed by the Borrower to the holders of its Equity Interests generally, as applicable;

(g) promptly following any request therefor, but subject to the limitations set forth in the proviso to the last sentence of Section 5.09 and Section 9.12, such other information regarding the operations, business affairs, assets, liabilities (including contingent liabilities) and financial condition of the Borrower or any Restricted Subsidiary, or compliance with the terms of this Agreement or any other Loan Document, as the Administrative Agent, any Issuing Bank or any Lender may reasonably request; provided that none of the Borrower or any Restricted Subsidiary will be required to provide any information (i) that constitutes non-financial trade secrets or non-financial proprietary information of the Borrower or any Restricted Subsidiary or any of their respective customers and suppliers, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or any of their respective representatives) is prohibited by applicable Requirements of Law or (iii) the revelation of which would violate any confidentiality obligations owed to any third party by the Borrower or any Restricted Subsidiary (not created in contemplation thereof); provided, further, that if any information is withheld pursuant to clause (i), (ii), or (iii) above, the Borrower or any Restricted Subsidiary shall promptly notify the Administrative Agent of such withholding of information and the basis therefor; and

(h) The Borrower shall conduct a quarterly meeting (which may be a telephonic meeting) that the Lenders may attend to discuss the financial condition and results of operations of the Borrower for the most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 5.01(a) or (b); provided that the Borrower may satisfy the foregoing obligation with respect to any fiscal quarter if a quarterly public earnings call is held with respect to such fiscal quarter.

Notwithstanding anything to the contrary herein, information required to be furnished pursuant to clause (a), (b), (f) or (g) of this Section shall be deemed to have been furnished if such information, or one or more annual or quarterly reports containing such information, shall have been posted by the Administrative Agent on the Platform or shall be available on the website of the SEC at http://www.sec.gov. Information required to be furnished pursuant to this Section may also be furnished by electronic communications pursuant to procedures approved by the Administrative Agent.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent, which shall furnish to each Issuing Bank and each Lender, promptly after a responsible officer of the Borrower obtains knowledge thereof, written notice of the following:

(a) the occurrence of any Default;

(b) to the extent permitted by the Requirements of Law, the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or, to the knowledge of a Financial Officer or another executive officer of the Borrower or any Restricted Subsidiary, affecting the Borrower or any Restricted Subsidiary, that in each case would reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any Environmental Liability or ERISA Event that has resulted, or would reasonably be expected to result, in a Material Adverse Effect; and

(d) any other development that has resulted, or would reasonably be expected to result, in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a written statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Information Regarding Collateral. The Borrower will furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's legal name, as set forth in such Loan Party's organizational documents, (ii) in the jurisdiction of incorporation or organization of any Loan Party, (iii) in the form of organization of any Loan Party or (iv) in any Loan Party's organizational identification number, if any, or, with respect to a Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a Uniform Commercial Code financing statement (or the equivalent thereof in each applicable jurisdiction), the Federal Taxpayer Identification Number of such Loan Party.

SECTION 5.04. Existence; Conduct of Business. The Borrower will, and will cause each of its Restricted Subsidiaries to, do or cause to be done all things necessary to maintain, preserve, protect, enforce, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises and IP Rights in each case to the extent necessary for the conduct of its business; provided that the foregoing shall not prohibit (i) any merger, consolidation, liquidation or dissolution permitted under Section 6.03 or (ii) the Borrower or any Restricted Subsidiary from taking any actions with respect to IP Rights permitted under Section 6.05(a)(iii).

SECTION 5.05. Payment of Taxes. The Borrower will, and will cause each of its Restricted Subsidiaries to, pay its Tax liabilities before the same shall become delinquent or in default, except where (a) (i) the validity or amount thereof is being contested in good faith by appropriate proceedings and (ii) the Borrower or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) the failure to make payment would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06. Maintenance of Properties. Except if failure to do so would not reasonably be expected to have a Material Adverse Effect, the Borrower will, and will cause each of its Restricted Subsidiaries to, keep and maintain all property necessary for the conduct of its business in good working order and condition, ordinary wear and tear excepted and casualty and condemnation excepted.

SECTION 5.07. Insurance. The Borrower will, and will cause each of its Restricted Subsidiaries to, maintain, with financially sound and reputable insurance companies (or, to the extent consistent with past practices of the Loan Parties and otherwise in accordance with applicable laws and good business practices, self-insurance; provided that in any event, liability insurance (including general, umbrella, product, employers', and automobile liability insurance), property insurance and business interruption insurance shall be maintained with such third party insurance companies), insurance with risk retentions in such amounts and against such risks as are consistent with the past practices of the Loan Parties or otherwise as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations. The Borrower shall take commercially reasonable efforts cause the main property and liability policies maintained by or on behalf of the Borrower to (a) name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder and (b) contain a loss payable clause or endorsement that names the Administrative Agent, on behalf of the Secured Parties, as the loss payee thereunder. With respect to each Mortgaged Property that is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, the applicable Loan Party has obtained, and will maintain, with financially sound and reputable insurance companies, such flood insurance as is required under the Flood Insurance Laws. The Borrower will furnish to the Lenders, upon reasonable request of the Administrative Agent, information in reasonable detail as to the insurance so maintained; provided that no Loan Party shall be required to deliver original copies of any insurance policies.

SECTION 5.08. [Reserved].

SECTION 5.09. Books and Records; Inspection and Audit Rights. The Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and accounts in which full, true and correct entries in conformity with GAAP and all Requirements of Law are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Restricted Subsidiaries to, permit any representatives designated by the Administrative Agent or the Required Lenders, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, provided that, unless an Event of Default shall have occurred and be continuing, the Borrower shall be provided an opportunity to

participate in any such discussions with such accountants, all at such reasonable times during regular office hours but no more often than one (1) time during any calendar year absent the existence of an Event of Default; provided that excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent on behalf of the Lenders may exercise visitation and inspection rights of the Administrative Agent and the Lenders under this Section 5.09; provided, further that none of the Borrower or any Restricted Subsidiary will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Requirement of Law or any binding agreement (not created in contemplation thereof) or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.

SECTION 5.10. Compliance with Laws. The Borrower will, and will take reasonable action to cause each of its Restricted Subsidiaries to, comply with all Requirements of Law (including ERISA, Environmental Laws and the USA PATRIOT Act) with respect to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.11. Use of Proceeds; Letters of Credit. (a) The proceeds of the Term Loans, together with cash on hand, will be used solely (i) on and after the Closing Date, for (x) the payment of fees and expenses payable in connection with the Transactions, (y) the Closing Date Distribution and (z) general corporate purposes. The proceeds of the Revolving Loans, as well as the proceeds of any Incremental Extension of Credit (unless otherwise provided in the applicable Incremental Facility Amendment) will be used for working capital and other general corporate purposes, including acquisitions and other Investments and Restricted Payments permitted by this Agreement, of the Borrower and the Restricted Subsidiaries (but in any event shall not be used to fund any portion of the Closing Date Distribution). No part of the proceeds of any Loan will be used in violation of the representation set forth in Section 3.10. Letters of Credit will be used by the Borrower and the Restricted Subsidiaries for general corporate purposes.

(b) The Borrower will not request any Borrowing or any Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers and employees shall not use, the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws by the Borrower or any of its Subsidiaries or (B) for (i) the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (ii) in any other manner, in each case which would result in the violation of any Sanctions applicable to any party hereto in connection with the transactions contemplated by this Agreement.

SECTION 5.12. Additional Subsidiaries. If any additional Subsidiary (other than any Excluded Subsidiary) is formed or acquired, (i) after the Effective Date but on or prior to the Closing Date or (ii) after the Closing Date, the Borrower will, as promptly as practicable and, in any event, (x) with respect to clause (i), on the Closing Date and (y) with respect to clause (ii), within 90 days (or such longer period as the Administrative Agent may agree in its reasonable discretion) after such Subsidiary is formed or acquired, notify the Administrative Agent thereof and, to the extent applicable, cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary (and any Material Real Property owned by such Subsidiary) and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party and such other documents, certificates and opinions consistent with those delivered pursuant to Sections 4.02(a) and (b) that the Administrative Agent may reasonably request with respect to such Subsidiary.

SECTION 5.13. Further Assurances. (a) The Borrower will, and will cause each of its Subsidiaries that is a Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents, and the recording of instruments in the United States Patent and Trademark Office and the United States Copyright Office), that may be required under any applicable law, or that the Administrative Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied and are necessary in the applicable jurisdiction in order for Liens in the Collateral to remain perfected, all at the expense of the Loan Parties. Notwithstanding anything contained in this Agreement, no Mortgage shall be executed and delivered to the Administrative Agent with respect to any real property located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a "special flood hazard area" with respect to which flood insurance has been made available under Flood Insurance Laws unless and until each Lender has received, at least 30 calendar days prior to such execution and delivery, a "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination (together with a notice about special flood hazard area status and flood disaster assistance duly executed by the Borrower and each applicable mortgagor relating thereto) (provided, that in no event shall the Borrower be required to deliver more than one flood determination to the Lenders as a whole) and each such lender has confirmed to the Administrative Agent that flood insurance due diligence and flood insurance compliance has been completed to its reasonable satisfaction (such written confirmation not to be unreasonably withheld or delayed); provided however that the time period for execution and delivery of any such Mortgage (and any related documents pursuant to the Collateral and Guarantee Requirement) by the applicable Loan Party shall, to the extent necessary, be automatically extended to the date on which the Administrative Agent is permitted under this Section 5.13 to enter into such Mortgage.

(b) If any material assets (other than Excluded Property) including any Material Real Property and any IP Rights (other than Excluded Property) that, individually or in the aggregate, are material, for which any additional action to perfect is required under the Security Documents are acquired by a Loan Party after the Closing Date (other than assets constituting Collateral under the applicable Security Document that become subject to the Lien created by such Security Document upon acquisition thereof), the Borrower will notify the Administrative Agent and the Lenders thereof, and, if requested by the Administrative Agent or the Required Lenders, the Borrower will cause such assets to be subjected to a Lien securing the Obligations and will, subject to the Collateral and Guarantee Requirement, take, and cause the Loan Parties to take, such actions as shall be necessary to grant and perfect such Liens, including actions described in paragraph (a) of this Section, and otherwise cause the Collateral and Guarantee Requirement to be satisfied, all at the expense of the Loan Parties.

(c) Notwithstanding anything herein to the contrary, with respect to pledges of, or grants of security interests in, assets acquired by a Loan Party after the Closing Date (including Equity Interests of newly-acquired or designated Restricted Subsidiaries and Material Real Property) or that cease to be Excluded Property after the Closing Date, the Loan Parties shall have the timeframe set forth in the definition of "Collateral and Guarantee Requirement", or provided for in the Collateral Agreement or other applicable Security Document, or if no timeframe is so provided, ninety (90) days (or such longer period as the Administrative Agent may, in its reasonable discretion, agree (such approval or consent not to be unreasonably withheld or delayed) after the date of such acquisition (or after the date such assets cease to be Excluded Property) to comply with the requirements of clauses (a) and (b) above.

SECTION 5.14. [Reserved].

SECTION 5.15. Post-Closing Date Matters. As promptly as practicable, and in any event within the time period specified in Schedule 5.15 (or such longer period as the Administrative Agent may agree in its reasonable discretion), after the Closing Date, (i) the Borrower shall, and shall cause each of its subsidiaries that is a Loan Party to, deliver all Mortgages that are required to be delivered pursuant to, and otherwise satisfy, the Collateral and Guarantee Requirement (if any), except to the extent otherwise agreed by the Administrative Agent pursuant to its authority as set forth in the definition of the term "Collateral and Guarantee Requirement" and (ii) the Borrower shall deliver, or cause to be delivered, the items specified in Schedule 5.15 hereof or complete such undertakings described on Schedule 5.15 hereof, if any, on or before the dates specified with respect to such items, or such later dates as may be agreed to by, or as may be waived by, the Administrative Agent in its reasonable discretion.

SECTION 5.16. [Reserved].

SECTION 5.17. Designation of Subsidiaries. The Borrower may at any time designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (a) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing or would result from such designation, (b) immediately after giving effect to such designation, the Borrower would be in compliance with Section 6.13 on a Pro Forma Basis and the

Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer setting forth reasonably detailed calculations demonstrating compliance with this clause (b) and (c) no Subsidiary may be designated as an Unrestricted Subsidiary if it is a "restricted subsidiary" or a "guarantor" (or any similar designation) for any Material Indebtedness that is subordinated in right of payment to the Obligations. The designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the parent company of such Subsidiary therein under Section 6.04(u) at the date of designation in an amount equal to the fair market value of such parent company's investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Indebtedness or Liens of such Subsidiary, and the making of an Investment by such Subsidiary in any Investments of such Subsidiary, in each case existing at such time, and (ii) a return on any Investment in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of the Borrower's or its Subsidiary's (as applicable) Investment in such Subsidiary.

ARTICLE VI

Negative Covenants

Commencing upon the Closing Date and continuing until the Commitments shall have expired or been terminated and the principal of and interest on each Loan and all fees, expenses and other amounts (other than contingent amounts not yet due) payable under this Agreement or any other Loan Document have been paid in full, and all Letters of Credit (other than those collateralized or back-stopped on terms reasonably satisfactory to the applicable Issuing Bank) have expired or been terminated and all LC Disbursements shall have been reimbursed:

SECTION 6.01. Indebtedness; Certain Equity Securities. (a) The Borrower will not, nor will the Borrower permit any of the Restricted Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created hereunder and under the other Loan Documents (including any Indebtedness and Refinancing Term Loan Indebtedness incurred pursuant to Section 2.21 or 2.23); provided that the Net Proceeds of any Refinancing Term Loan Indebtedness incurred pursuant to Section 2.23 are used to make the prepayments required under clause (a)(ii) thereof);

(ii) [reserved];

(iii) Indebtedness (and Guarantees thereof) existing on the Effective Date or arising after the Effective Date but on or prior to the Closing Date (including Indebtedness (or Guarantees thereof) of Zimmer that will become an obligation of the Borrower or any Restricted Subsidiary pursuant to the Spin-Off Documents and to the extent described in the

Effective Date Form 10) (A) to the extent described in the Effective Date Form 10 or (B) to the extent having a principal amount in excess of $5,000,000 individually or $10,000,000 in the aggregate, set forth in Schedule 6.01 and, in each case, any Refinancing Indebtedness in respect thereof and any intercompany Indebtedness existing on the Closing Date to the extent arising out of the Transactions;

(iv) Indebtedness of the Borrower to any Restricted Subsidiary and of any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary so long as (A) such Indebtedness of any Subsidiary that is not a Loan Party to the Borrower or any other Loan Party shall be permitted under Section 6.04 and (B) such Indebtedness of the Borrower or any other Loan Party owing to any Restricted Subsidiary that is not a Loan Party shall be subordinated in right of payment to the Obligations on the terms set forth in the Global Intercompany Note (or any other promissory note or agreement with substantially similar terms of subordination reasonably satisfactory to the Administrative Agent); provided that Restricted Subsidiaries that are not Loan Parties shall not be required to become party to the Global Intercompany Note (or any other promissory note or agreement referred to above in this clause providing for such subordination) until the 120th day after the latest of (x) the Closing Date, (y) the date such Person becomes a Restricted Subsidiary and (z) the date such Restricted Subsidiary becomes the obligor or lender in respect of intercompany Indebtedness owed by or to a Loan Party (or, in each case, such longer period as the Administrative Agent may agree in its reasonable discretion);

(v) Guarantees by the Borrower of Indebtedness of any Restricted Subsidiary and by any Restricted Subsidiary of Indebtedness of the Borrower or any other Restricted Subsidiary (other than Indebtedness incurred pursuant to clause (a)(iii) or (a)(vii) of this Section 6.01); provided that (A) the Indebtedness so Guaranteed is permitted by this Section, (B) Guarantees by the Borrower or any other Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (C) Guarantees permitted under this clause (v) shall be subordinated to the Obligations of the applicable Restricted Subsidiary to the same extent and on the same terms as the Indebtedness so Guaranteed is subordinated to the Obligations (if such Indebtedness is subordinated to the Obligations;

(vi) (A) Indebtedness of any member of the Restricted Group incurred to finance the acquisition, construction, repair, replacement or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed by any member of the Restricted Group in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof; provided that such Indebtedness is incurred prior to or within 270 days after such acquisition

or the completion of such construction, repair, replacement or improvement, and (B) Refinancing Indebtedness in respect of Indebtedness incurred or assumed pursuant to clause (A) above; provided further that at the time of incurrence thereof, the aggregate principal amount of Indebtedness permitted by this clause (vi), together with any Indebtedness in respect of sale and leaseback transactions incurred pursuant to Section 6.06 (which shall not include Obligations arising from the Palm Beach Gardens Facility Sale Leaseback, so long as the Borrower complies with the requirements of Section 2.11(c) with respect thereto), shall not exceed the greater of (x) $15,000,000 and (y) 10.0% of Consolidated EBITDA for the most recently ended Test Period;

(vii) (A) Indebtedness of any Person that becomes a Restricted Subsidiary (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into a Restricted Subsidiary in a transaction permitted hereunder) after the Closing Date, or Indebtedness of any Person that is assumed by any Restricted Subsidiary in connection with an acquisition of assets by such Restricted Subsidiary in an acquisition permitted by Section 6.04; provided that such Indebtedness exists at the time such Person becomes a Restricted Subsidiary (or is so merged or consolidated) or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary (or such merger or consolidation) or such assets being acquired and (B) Refinancing Indebtedness in respect of Indebtedness incurred or assumed, as applicable, pursuant to clause (A) above;

(viii) other Indebtedness in an aggregate principal amount outstanding under this clause (viii) at any time not exceeding the greater of (x) $35,000,000 and (y) 25% of Consolidated EBITDA for the most recently ended Test Period;

(ix) Indebtedness incurred pursuant to Permitted Receivables Facilities; provided that the Indebtedness outstanding in reliance on this clause (ix) shall not exceed, at the time of incurrence thereof, the greater of (x) $35,000,000 and (y) 25% of Consolidated EBITDA for the most recently ended Test Period in the aggregate;

(x) customary Indebtedness and obligations in respect of self-insurance incurred in the ordinary course of business and obligations in respect of bids, tenders, trade contracts (other than for payment of Indebtedness), leases (other than Capital Lease Obligations), public or statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature and similar obligations or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case provided in the ordinary course of business;

(xi) Indebtedness in respect of Hedging Agreements permitted by Section 6.07;

(xii) Indebtedness in respect of any overdraft facilities, employee credit card programs, netting services, automated clearinghouse arrangements and other cash management and similar arrangements in the ordinary course of business; provided, that with respect to any such Indebtedness incurred in reliance on this clause (xii) by Restricted Subsidiaries that are not Loan Parties that constitutes Secured Cash Management Obligations, at the time such Indebtedness is incurred and after giving effect thereto, the Non-Guarantor Debt Basket shall not be exceeded;

(xiii) Indebtedness in the form of contingent indemnification obligations, obligations in respect of purchase price adjustments, earnouts, non-competition agreements and other similar contingent arrangements incurred in connection with any acquisition or other investment permitted under this Agreement;

(xiv) [reserved];

(xv) Alternative Incremental Facility Debt, provided that the (A) aggregate principal amount of such Alternative Incremental Facility Debt shall not exceed the amount permitted under Section 2.21 and (B) if any such Alternative Incremental Facility Debt (1) is secured by Liens on the Collateral on a pari passu basis with the Liens securing the Obligations or (2) is secured by Liens on the Collateral on a junior basis to the Liens securing the Obligations, such Alternative Incremental Facility Debt shall be subject to an Acceptable Intercreditor Agreement;

(xvi) Indebtedness representing deferred compensation to directors, officers, consultants or employees of the Borrower and the Restricted Subsidiaries incurred in the ordinary course of business;

(xvii) Indebtedness consisting of promissory notes issued by any Loan Party to current or former officers, directors, consultants and employees or their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Borrower permitted by Section 6.08;

(xviii) [reserved];

(xix) Indebtedness of Restricted Subsidiaries that are not Loan Parties under bilateral local law credit and other working capital facilities that are not secured by the Collateral; provided that at the time such Indebtedness is incurred under this clause (xix) and after giving effect thereto, such incurrence shall not cause the Non-Guarantor Debt Basket to be exceeded (without duplication of any Cash Management Financing Facilities); provided, further that any such Indebtedness secured by a Letter of Credit issued hereunder in a principal amount not to exceed the face amount of such Indebtedness shall not count toward the aggregate amount permitted under this Section 6.01(a)(xix) (including the Non-Guarantor Debt Basket);

(xx) other unsecured Indebtedness of the Borrower or any of its Restricted Subsidiaries so long as (A) after giving thereto on a Pro Forma Basis the Borrower would be in compliance with Section 6.13, (B) the incurrence of Indebtedness pursuant to this clause (xx) by a Restricted Subsidiary that is not a Loan Party shall not cause the Non-Guarantor Debt Basket to be exceeded (after giving effect thereto on a Pro Forma Basis), (C) such Indebtedness shall not mature or require any scheduled amortization or require scheduled payments of principal or shall be subject to any mandatory redemption, repurchase, repayment or sinking fund obligation, in each case, prior to the Latest Maturity Date as of such date, and shall have a weighted average life to maturity not shorter than the longest remaining weighted average life to maturity of the then outstanding Loans, (D) no Event of Default shall exist or shall result therefrom (it being understood that if the proceeds of the relevant Indebtedness will be applied to finance a Limited Condition Transaction and the Borrower has made an LCT Election, no Event of Default shall exist and be continuing as of the LCT Test Date) or (E) such Indebtedness has terms and conditions that in the good faith determination of the Borrower are no less favorable to the Borrower (when taken as a whole) to the terms and conditions of the Loan Documents (when taken as a whole);

(xxi) Indebtedness constituting obligations arising in respect of Cash Management Services;

(xxii) [reserved];

(xxiii) Indebtedness consisting of (A) the financing of insurance premiums or (B) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(xxiv) [reserved];

(xxv) Indebtedness incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business on arm's length commercial terms on a non-recourse basis;

(xxvi) Indebtedness incurred by the Borrower or any of the Restricted Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances or similar instruments issued or created in the ordinary course of business or consistent with past practice, in each case, in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other reimbursement-type obligations regarding workers' compensation claims;

(xxvii) Indebtedness in respect of obligations of the Borrower or any Restricted Subsidiary to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money;

(xxviii) Indebtedness to a customer to finance the acquisition of any equipment necessary to perform services for such customer; provided that the terms of such Indebtedness are consistent with those entered into with respect to similar Indebtedness prior to the Effective Date, including that (x) the repayment of such Indebtedness is conditional upon such customer ordering a specific volume of goods and (y) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;

(xxix) (x) tenant improvement loans and allowances in the ordinary course of business and (y) to the extent constituting Indebtedness, guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees, lessors and licensees of the Borrower and any Restricted Subsidiary;

(xxx) Indebtedness incurred pursuant to letters of credit issued by any Person other than an Issuing Bank under this Agreement for the account of the Borrower or any Restricted Subsidiary; provided that the aggregate amount of Indebtedness permitted by this clause (xxx) shall not exceed $20,000,000; and

(xxxi) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (i) through (xxx) above.

(b) For purposes of determining compliance with this Section 6.01, in the event that an item of Indebtedness at any time, whether at the time of incurrence or upon the application of all or a portion of the proceeds thereof or subsequently, meets the criteria of more than one of the categories (other than ratio-based baskets) of Section 6.01(a), the Borrower and the Restricted Subsidiaries shall, in their sole discretion, divide, classify or reclassify, or at any later time divide, classify or reclassify, such item of Indebtedness solely between and among such categories and in each case, that would be permitted to be incurred in reliance on the applicable exception as of the date of such reclassification; provided that Indebtedness incurred hereunder shall only be classified as incurred under Section 6.01(a)(i). Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest or dividends in the form of additional Indebtedness with the same terms, the payment of dividends on Disqualified Equity Interests in the form of additional shares of Disqualified Equity Interests of the same class, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness or Disqualified Equity Interests for purposes of this covenant. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that are otherwise included in the determination of a particular amount of Indebtedness permitted by this covenant shall not be included in the determination of such amount of Indebtedness; provided that the incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

(c) For purposes of determining compliance with any dollar-denominated restriction on the incurrence of Indebtedness, the principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed or first incurred (at the Borrower's election), in the case of revolving credit debt; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced (plus the aggregate amount of premiums (including reasonable tender premiums), defeasance costs and fees, discounts and expenses in connection therewith).

SECTION 6.02. Liens. (a) The Borrower will not, nor will the Borrower permit any of the Restricted Subsidiaries to, create, incur, assume or permit to exist any Lien on any asset now owned or hereafter acquired by it, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Encumbrances;

(iii) any Lien on any asset of the Borrower or any Restricted Subsidiary existing on the Effective Date or arising after the Effective Date but on or prior to the Closing Date to the extent securing Indebtedness or obligations (A) described in the Effective Date Form 10 or (B) having a

principal amount in excess of $5,000,000 individually or $10,000,000 in the aggregate, as set forth in Schedule 6.02; provided that (A) such Lien shall not apply to any other asset of the Borrower or any Restricted Subsidiary (other than assets financed by the same financing source in the ordinary course of business and after-acquired property that is affixed or incorporated into the asset(s) covered by such Lien) and (B) such Lien shall secure only those obligations that it secures on the Effective Date or the Closing Date, as applicable, and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals, replacements and refinancings does not exceed the principal amount of the obligations being extended, renewed, replaced or refinanced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(iii) as Refinancing Indebtedness in respect thereof;

(iv) any Lien existing on any asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary or existing on any asset of any Person that becomes a Restricted Subsidiary (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into a Restricted Subsidiary in a transaction permitted hereunder) after the Closing Date prior to the time such Person becomes a Restricted Subsidiary (or is so merged or consolidated); provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary (or such merger or consolidation), (B) such Lien shall not apply to any other asset of the Borrower or any Restricted Subsidiary (other than (x) assets financed by the same financing source in the ordinary course of business and after-acquired property that is affixed or incorporated into the asset(s) covered by such Lien or otherwise required to be pledged pursuant to the provisions governing such Indebtedness as of the time of the relevant acquisition by the Borrower or any Restricted Subsidiary and (y) in the case of any such merger or consolidation, the assets of any special purpose merger Subsidiary that is a party thereto) and (C) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary (or is so merged or consolidated) and extensions, renewals, replacements and refinancings thereof so long as the principal amount of such extensions, renewals and replacements does not exceed the principal amount of the obligations being extended, renewed or replaced or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(a)(vii) as Refinancing Indebtedness in respect thereof;

(v) Liens on fixed or capital assets acquired, constructed, repaired, replaced or improved (including any such assets made the subject of a Capital Lease Obligation incurred) by the Borrower or any Restricted Subsidiary; provided that (A) such Liens secure Indebtedness incurred to finance such acquisition, construction, repair, replacement or improvement and permitted by clause (vi)(A) of Section 6.01(a) or any Refinancing Indebtedness in respect thereof permitted by clause (vi)(B) of Section 6.01(a), (B) such Liens and the Indebtedness secured thereby are incurred prior to or within 270 days after such acquisition or the completion of such construction, repair, replacement or improvement (provided that this clause (B) shall not apply to any Refinancing Indebtedness permitted by clause (vi)(B) of Section 6.01(a) or any Lien securing such Refinancing Indebtedness), (C) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing, repairing, replacing or improving such fixed or capital asset and in any event, the aggregate principal amount of such Indebtedness does not exceed the amount permitted under the second proviso of Section 6.01(a)(vi) at any time outstanding and (D) such Liens shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary (except assets financed by the same financing source in the ordinary course of business);

(vi) customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 6.05;

(vii) any encumbrance or restriction (including put and call arrangements, tag, drag, right of first refusal and similar rights) with respect to Equity Interests of any (A) Restricted Subsidiary that is not a wholly owned Subsidiary or (B) joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(viii) Liens on any cash advances or cash earnest money deposits, escrow arrangements or similar arrangements made by the Borrower or any Restricted Subsidiary in connection with any letter of intent or purchase agreement for an acquisition, disposition or other transaction permitted hereunder;

(ix) Liens on Collateral securing any Permitted Junior Lien Refinancing Debt or Alternative Incremental Facility Debt (or any Refinancing Indebtedness in respect thereof permitted hereunder); provided that such Liens are subject to the terms of an Acceptable Intercreditor Agreement;

(x) Liens granted by a Subsidiary that is not a Loan Party in respect of Indebtedness permitted to be incurred by such Subsidiary under Section 6.01;

(xi) Liens not otherwise permitted by this Section to the extent that the aggregate outstanding principal amount of the obligations secured thereby outstanding under this clause (xi) at any time does not exceed the greater of (x) $35,000,000 and (y) 25% of Consolidated EBITDA for the most recently ended Test Period;

(xii) Liens securing Indebtedness incurred as secured Indebtedness under Section 6.01(a)(xv);

(xiii) Liens to secure letters of credit issued pursuant to Section 6.01(a)(xxx); provided that (i) the aggregate amount of Indebtedness secured thereby does not exceed $20,000,000 and (ii) such Person enters into an Acceptable Intercreditor Agreement;

(xiv) [reserved];

(xv) Liens on property or other assets of any Restricted Subsidiary that is not a Loan Party, which Liens secure Indebtedness or other obligations of such Restricted Subsidiary or another Restricted Subsidiary that is not a Loan Party, in each case permitted under Section 6.01(a);

(xvi) Liens on the Collateral securing Secured Cash Management Obligations and Secured Hedging Obligations;

(xvii) Liens on cash and Permitted Investments used to satisfy or discharge Indebtedness pursuant to customary escrow or similar arrangements for a period not to exceed 12 months prior to such satisfaction or discharge; provided such satisfaction or discharge is permitted under the terms of this Agreement at the time such escrow or similar arrangements are established;

(xviii) Liens on Equity Interests of any joint venture or Unrestricted Subsidiary (a) securing obligations of such joint venture or Unrestricted Subsidiary or (b) pursuant to the relevant joint venture agreement or arrangement;

(xix) Liens on cash, Permitted Investments or other marketable securities securing letters of credit of any Loan Party that are cash collateralized on the Closing Date in an amount of cash, Permitted Investments or other marketable securities with a fair market value of up to 105% of the face amount of such letters of credit being secured; and

(xx) any Liens on cash or deposits granted in favor of any Issuing Bank to cash collateralize any Defaulting Lender’s participation in Letters of Credit or other obligations in respect of Letters of Credit, in each case as contemplated by this Agreement;

provided that the expansion of Liens by virtue of accretion or amortization of original issue discount, the payment of dividends in the form of Indebtedness, and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Liens for purposes of this Section 6.02. For purposes of determining compliance with this Section 6.02, (x) a Lien need not be incurred solely by reference to one category of Liens described in this Section 6.02 but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories hereof the Borrower and the Restricted Subsidiaries shall, in their sole discretion, classify or reclassify such Lien (or any portion thereof) solely between and among such categories and, in each case, that would be permitted to be incurred in reliance on the applicable exception as of the date of such reclassification.

SECTION 6.03. Fundamental Changes. (a) The Borrower will not, nor will the Borrower permit any of its Restricted Subsidiaries to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, divide or otherwise dispose of all or substantially all of its properties and assets to any Person or group of Persons (which, for the avoidance of doubt, shall not restrict the change in organizational form), except that:

(i) any Restricted Subsidiary may merge into or consolidate with (A) the Borrower so long as the Borrower shall be the continuing or surviving Person (and continues to be organized under the laws of the same jurisdiction), (B) [reserved] and (C) any other Restricted Subsidiary in a transaction in which the surviving entity is a Restricted Subsidiary and, if any party to such merger or consolidation is a Loan Party, either (x) the continuing or surviving entity is a Loan Party or (y) the acquisition of such Loan Party by such continuing or surviving Person is otherwise permitted under 6.04; provided, that, after giving effect to any such activities under this Section 6.03(a)(i), the Loan Parties are in compliance with the Collateral and Guarantee Requirement to the extent required by Sections 5.12 and 5.13;

(ii) any Restricted Subsidiary may dispose of all or any of its properties and assets in a transaction permitted pursuant to Section 6.05, so long as such disposition does not constitute a disposition of all or substantially all of the properties and assets of the Borrower and the Restricted Subsidiaries taken as a whole;

(iii) any Restricted Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the business of the Restricted Group and is not materially disadvantageous to the Lenders; provided that any such merger or consolidation involving a Person that is not a wholly owned Restricted Subsidiary immediately prior to such merger or consolidation shall not be permitted unless it is also permitted by Section 6.04 or 6.05;

(iv) any Restricted Subsidiary may engage in a merger, consolidation, dissolution or liquidation, the purpose of which is to effect an Investment permitted pursuant to Section 6.04 or a disposition permitted pursuant to Section 6.05; and

(v) so long as no Event of Default shall have occurred and be continuing, or would result therefrom, the Borrower may merge or consolidate with (or dispose of all or substantially all of its assets to) any other Person; provided that (A) the Borrower shall be the continuing or surviving Person or (B) if (x) the Person formed by or surviving any such merger or consolidation is not the Borrower, (y) the Borrower has been liquidated into another Person or (z) in connection with a disposition of all or substantially all of the Borrower's assets, the Person that is the transferee of such assets is not the Borrower (any such Person, a "Successor Borrower"), (1) the Successor Borrower shall be an entity organized or existing under the laws of the United States or any state thereof, (2) (i) the Successor Borrower shall expressly assume all the obligations of the Borrower under this Agreement and the other Loan Documents to which the Borrower is a party pursuant to a supplement, amendment or restatement hereto or thereto in form reasonably satisfactory to the Administrative Agent and (ii) each Loan Party (other than the Successor Borrower) shall have executed and delivered a customary reaffirmation agreement with respect to its obligations under the Loan Documents in form and substance reasonably satisfactory to the Administrative Agent, (3) at least three Business Days prior to such Successor Borrower becoming the Borrower, (i) the Administrative Agent shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act, and (ii) any such Successor Borrower that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall deliver a Beneficial Ownership Certification to any Lender that has requested such certification, in each case, to the extent requested at least seven Business Days prior to such date and (4) if reasonably requested by the Administrative Agent, the Borrower shall have delivered to the Administrative Agent an officer's certificate and an opinion of counsel, each stating that such merger or consolidation and such supplement, amendment or restatement to this Agreement or any Loan Document comply with this Agreement and with respect to such other customary matters as the Administrative Agent may reasonably request including with respect to the enforceability of the obligations of, and the

security interests granted by, the Successor Borrower under this Agreement and the other Loan Documents; provided, further, that if the foregoing are satisfied, the Successor Borrower, will succeed to, and be substituted for, the Borrower under this Agreement and the original Borrower will be released.

(b) The Borrower and the Restricted Subsidiaries, taken as a whole, will not engage to any material extent in any business other than businesses of the type to be conducted by the Borrower and the Restricted Subsidiaries as described in the Effective Date Form 10 if as a result thereof the business conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, would be substantially different from the business conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date; provided that businesses reasonably related, incidental or ancillary thereto to the business conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date or reasonable extensions thereof shall be permitted hereunder.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, nor will the Borrower permit any Restricted Subsidiary to, make any Investment, except:

(a) Permitted Investments and cash;

(b) investments constituting the purchase or other acquisition (in one transaction or a series of related transactions) of all or substantially all of the property and assets or business of any Person or of assets constituting a business unit, a line of business or division of such Person, or the Equity Interests in a Person that, upon the consummation thereof, will be a Restricted Subsidiary if, after giving effect thereto on a Pro Forma Basis, the Borrower would be in compliance with Section 6.13; provided that the aggregate amount of cash consideration paid in respect of such investments (including in the form of loans or advances made to Restricted Subsidiaries that are not Loan Parties) by Loan Parties involving the acquisition of Restricted Subsidiaries that do not become Loan Parties shall not, at the time such investment is made and after giving effect thereto, cause the Non-Guarantor Investment Basket to be exceeded (except, for the avoidance of doubt, to the extent of the available amount under any other basket or ratio incurrence test in another clause of this Section 6.04 which is utilized to permit such investment); provided that, to the extent such Restricted Subsidiaries do become Loan Parties, the aggregate amount outstanding in reliance on this clause (b) shall be reduced by the amount initially utilized;

(c) [reserved];

(d) Investments existing on the Effective Date or arising after the Effective Date but on or prior to the Closing Date (or in the case of replacement guarantees to be provided by the Borrower in lieu of previously existing Zimmer parent guarantees or any novation to the Borrower of existing Investments of Zimmer, within 90 days after the Closing Date (or such longer period as may be reasonably agreed by the Administrative

Agent)) (A) to the extent described in the Effective Date Form 10 or (B) to the extent having a principal amount in excess of $5,000,000 individually or $10,000,000 in the aggregate, as set forth in Schedule 6.04 and, in each case, any modification, replacement, renewal, reinvestment or extension thereof (including any capitalization of intercompany loans to equity);

(e) Investments by the Borrower and the Restricted Subsidiaries in Equity Interests of their respective Restricted Subsidiaries; provided that (i) any such Equity Interests held by a Loan Party in any other Loan Party shall be pledged to the extent required by the definition of the term "Collateral and Guarantee Requirement" and (ii) the making of such Investment by any Loan Party in any Restricted Subsidiary that is not a Loan Party shall not, at the time such Investment is made and after giving effect thereto, cause the Non-Guarantor Investment Basket to be exceeded, provided that if any such investment under this subclause (ii) is made for the purpose of making an investment, loan or advance permitted under clause (u) of this Section, the amount available under this clause (e) shall not be reduced by the amount of any such investment, loan or advance which reduces the basket under clause (u) of this Section;

(f) loans or advances made by the Borrower to any Restricted Subsidiary and made by any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary; provided that (i) any such loans and advances made by a Loan Party shall be evidenced, on and after the Closing Date, by the Global Intercompany Note or other promissory notes reasonably acceptable to the Administrative Agent, provided, that with respect to loans and advances made after the Closing Date, evidence of such loans and advances by the Global Intercompany Note or other promissory note shall not be required until120 days after making of such loan or advance and (ii) the outstanding amount of such loans and advances made by Loan Parties to Restricted Subsidiaries that are not Loan Parties at the time such loans or advances are made, and after giving effect thereto, shall not cause the Non-Guarantor Investment Basket to be exceeded, provided that (x) any Investment by any Loan Party in any Non-Loan Party Restricted Subsidiary using (or in the case of any Guarantee, deemed to be using) the proceeds of Investments, dividends, returns on capital or returns of capital from Restricted Subsidiaries that are not Loan Parties for the purpose of funding such Investment which are received no more than 120 days prior to making such Investment, (y) any intercompany advances made by any Loan Party to any Restricted Subsidiary that is not a Loan Party for the sole purpose of funding (or refunding) payments of interest or principal under intercompany loans owing from such Restricted Subsidiary to such Loan Party which are paid to such Loan Party either prior to or within 90 days of such advance and (z) any intercompany loans or advances made by the Borrower (including its respective successors, and any entity that is a Loan Party that performs cash-pooling and cash management activities for the Borrower and its Subsidiaries) to any Restricted Subsidiaries that are not Loan Parties in connection with ordinary course cash management activities and having a term not exceeding 90 days, in each case, shall not be taken into account in the calculation of any restriction or basket set forth in this subclause (ii) (including the Non-Guarantor Investment Basket); provided further that if any such loan or advance under this subclause (ii) is made for the purpose of making an investment,

loan or advance permitted under clause (u) of this Section, the amount available under this clause (f) shall not be reduced by the amount of any such investment, loan or advance which reduces the basket under clause (u) of this Section, provided further that for the purposes of calculating usage under this subclause (ii) and the Non-Guarantor Investment Basket, the amount of any loan or advance made by any Loan Party to a Restricted Subsidiary that is not a Loan Party shall be reduced dollar-for-dollar by any amounts owed by such Loan Party to such Restricted Subsidiary that is not a Loan Party; provided further that the amount of any Investment, dividend, return on capital, return of capital or other amount applied to increase the aggregate amount of Investments that may be made pursuant to this Section 6.04(f) shall be without duplication of any amount deducted from the calculation of Investments or applied to increase Investment capacity under this Agreement;

(g) Guarantees by the Borrower or any Restricted Subsidiary in respect of Indebtedness permitted under Section 6.01 and in respect of other obligations not otherwise contemplated by this Section 6.04, in each case of the Borrower or any Restricted Subsidiary; provided that any such Guarantees of Indebtedness and such other obligations, in each case of Restricted Subsidiaries that are not Loan Parties by any Loan Party (other than with respect to Cash Management Financing Facilities) shall not, at the time any such Guarantee is provided and after giving effect thereto, cause the Non-Guarantor Investment Basket to be exceeded;

(h) loans or advances to directors, officers, consultants or employees of the Borrower or any Restricted Subsidiary made in the ordinary course of business of the Borrower or such Restricted Subsidiary, as applicable, not exceeding $5,000,000 in the aggregate outstanding at any time (determined without regard to any write-downs or write-offs of such loans or advances);

(i) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses of the Borrower or any Restricted Subsidiary for accounting purposes and that are made in the ordinary course of business;

(j) investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment, in each case in the ordinary course of business;

(k) investments in the form of Hedging Agreements permitted by Section 6.07;

(l) investments of any Person existing at the time such Person becomes a Restricted Subsidiary or consolidates or merges with the Borrower or any Restricted Subsidiary so long as such investments were not made in contemplation of such Person becoming a Restricted Subsidiary or of such consolidation or merger;

(m) investments resulting from pledges or deposits described in clause (c) or (d) of the definition of the term "Permitted Encumbrance";

(n) investments made as a result of the receipt of noncash consideration from a sale, transfer, lease or other disposition of any asset in compliance with Section 6.05;

(o) investments that result solely from the receipt by the Borrower or any Restricted Subsidiary from any of its Subsidiaries of a dividend or other Restricted Payment in the form of Equity Interests, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereof);

(p) receivables or other trade payables owing to the Borrower or a Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided that such trade terms may include such concessionary trade terms as the Borrower or any Restricted Subsidiary deems reasonable under the circumstances;

(q) mergers and consolidations permitted under Section 6.03 that do not involve any Person other than the Borrower and Restricted Subsidiaries that are wholly owned Restricted Subsidiaries;

(r) Investments in the form of letters of credit, bank guarantees, performance bonds or similar instruments or other creditor support or reimbursement obligations made in the ordinary course of business by the Borrower on behalf of any Restricted Subsidiary and made by any Restricted Subsidiary on behalf of the Borrower or any other Restricted Subsidiary; provided that at the time such letters of credit, bank guarantees, performance bonds or similar instruments or other creditor support or reimbursement obligations are made by Loan Parties on behalf of Restricted Subsidiaries that are not Loan Parties pursuant to this clause (r), and after giving effect thereto, such obligations shall not cause the Non-Guarantor Investment Basket to be exceeded;

(s) Guarantees by the Borrower or any Restricted Subsidiary of leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(t) Investments, so long as, after giving effect thereto, the Consolidated Total Net Leverage Ratio does not exceed 3.25:1.00;

(u) other Investments by the Borrower or any Restricted Subsidiary (and loans and advances by the Borrower) in an aggregate amount, as valued at cost at the time each such Investment is made and including all related commitments for future Investments (and the principal amount of any Indebtedness that is assumed or otherwise incurred in connection with such Investment), outstanding under this clause (u) at any time in an aggregate amount not exceeding the sum of (i) (x) the greater of $50,000,000 and (y) 35% of Consolidated EBITDA for the most recently ended Test Period plus (ii) so long as

no Event of Default has occurred and is continuing or would result therefrom, the Available Amount at such time in the aggregate for all such investments made or committed to be made from and after the Closing Date plus an amount equal to any returns of capital or sale proceeds actually received in cash in respect of any such Investments (which amount shall not exceed the amount of such Investment valued at cost at the time such investment was made and shall be without duplication of any amount deducted from the calculation of Investments or applied to increase Investment capacity under this Agreement);

(v) Investments consisting of (i) extensions of trade credit and accommodation guarantees in the ordinary course of business and (ii) loans and advances to customers; provided that the aggregate principal amount of such loans and advances outstanding under this clause (ii) at any time shall not exceed $10,000,000;

(w) Investments on or prior to the Closing Date in order to effect the Transactions;

(x) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers in the ordinary course of business;

(y) Investments (A) for utilities, security deposits, leases and similar prepaid expenses incurred in the ordinary course of business and (B) in the form of trade accounts created, or prepaid expenses accrued, in the ordinary course of business;

(z) [reserved];

(aa) customary Investments in connection with Permitted Receivables Facilities;

(bb) Investments in joint ventures and Unrestricted Subsidiaries; provided that at the time of any such Investment on a Pro Forma Basis, the aggregate amount at any time outstanding of all such Investments made in reliance on this clause (bb) shall not exceed the greater of $10,000,000 and 7.0% of Consolidated EBITDA for the most recently ended Test Period;

(cc) Investments in the form of loans or advances made to distributors and suppliers in the ordinary course of business;

(dd) to the extent they constitute Investments, guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees, lessors and licensees of the Borrower and any Restricted Subsidiary; and

(ee) Investments to the extent that payment for such Investments is made solely with the issuance of Equity Interests (other than Disqualified Equity Interests) of the Borrower.

For purposes of this Section 6.04, if any Investment (or a portion thereof) would be permitted pursuant to one or more of the provisions described above and/or one or more of the exceptions contained in this Section 6.04, the Borrower and the Restricted Subsidiaries may divide and classify such Investment (or a portion thereof) in any manner that complies with this covenant and may later divide and reclassify any such Investment so long as the Investment (as so divided and/or reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

SECTION 6.05. Asset Sales. The Borrower will not, nor will the Borrower permit any Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of any asset (other than assets sold, transferred, leased or otherwise disposed of in a single transaction or a series of related transactions with a fair market value of $10,000,000 or less), including any Equity Interest owned by it, nor will the Borrower permit any Restricted Subsidiary to issue any additional Equity Interest in such Restricted Subsidiary (other than issuing directors' qualifying shares and other than issuing Equity Interests to the Borrower or another Restricted Subsidiary), except:

(a) sales, transfers, leases and other dispositions of (i) inventory, (ii) used, obsolete, damaged, worn out or surplus equipment, (iii) property no longer used, useful or economically practicable to maintain in the conduct of the business of the Borrower and the Restricted Subsidiaries (including IP Rights), (iv) immaterial assets, (v) cash and Permitted Investments, in each case in the ordinary course of business and (vi) charitable donations or contributions, in the ordinary course of business;

(b) sales, transfers, leases and other dispositions to the Borrower or a Restricted Subsidiary; provided that any such sales, transfers, leases or other dispositions involving a Restricted Subsidiary that is not a Loan Party shall, to the extent applicable, be made in compliance with Sections 6.04 and 6.09;

(c) sales, transfers and other dispositions or forgiveness of accounts receivable in connection with the compromise, settlement or collection thereof not as part of any accounts receivable financing transaction (including sales to factors and other third parties);

(d) (i) sales, transfers, leases and other dispositions of assets to the extent that such assets constitute an investment permitted by clause (j), (l) or (n) of Section 6.04 or another asset received as consideration for the disposition of any asset permitted by this Section (in each case, other than Equity Interests in a Restricted Subsidiary, unless all Equity Interests in such Restricted Subsidiary (other than directors' qualifying shares) are sold) and (ii) sales, transfers, and other dispositions of the Equity Interests of a Restricted Subsidiary by the Borrower or a Restricted Subsidiary to the extent such sale, transfer or other disposition would be permissible as an Investment in a Restricted Subsidiary permitted by Section 6.04(e) or (u);

(e) leases, subleases or license agreements entered into in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Restricted Subsidiary;

(f) (i) non-exclusive licenses, sublicenses or other similar grants of IP Rights granted in the ordinary course of business or (ii) other licenses or sublicenses of IP Rights granted in the ordinary course of business, in each case that do not materially interfere with the business of the Borrower or any Restricted Subsidiary;

(g) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, and transfers of property arising from foreclosure or similar action with regard to, any asset of the Borrower or any Restricted Subsidiary;

(h) dispositions of assets to the extent that (i) such assets are exchanged for credit against the purchase price of similar replacement assets or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement assets;

(i) dispositions permitted by Section 6.08;

(j) dispositions set forth on Schedule 6.05;

(k) sales, transfers, leases and other dispositions of assets that are not permitted by any other clause of this Section; provided that no Event of Default has occurred and is continuing or would result therefrom;

(l) (i) sales, transfers or other dispositions of accounts receivable (including related Permitted Receivables Facility Assets) in connection with Permitted Receivables Facilities and (ii) for the avoidance of doubt, the Borrower and any Restricted Subsidiary may participate in customary customer supply chain financing programs in the ordinary course of business;

(m) sales, transfers or other dispositions of any assets (including Equity Interests) (A) acquired in connection with any acquisition or other investment permitted under Section 6.04, which assets are not used or useful to the core or principal business of the Borrower and the Restricted Subsidiaries and/or (B) made to obtain the approval of any applicable antitrust authority in connection with an acquisition permitted under Section 6.04;

(n) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(o) to the extent constituting a disposition governed by this Section, the unwinding or early termination or settlement of any Hedging Agreement or other option, forward or other derivative contract;

(p) Approved Asset Dispositions; provided that any Net Proceeds from the Palm Beach Gardens Facility Sale Leaseback shall be applied in accordance with Section 2.11(c); and

(q) sales, leases, licenses, transfers or other dispositions to Zimmer and its Affiliates to the extent required pursuant to the Spin-Off Documents;

provided that all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by clauses (a)(ii), (a)(iii), (a)(iv), (a)(vi), (b), (c) and (q)) shall be made for fair market value (as determined in good faith by the Borrower), and at least 75% of the consideration from all sales, transfers, leases and other dispositions permitted hereby (other than those permitted by clauses (a)(vi), (b), (d), (g) or (h)) is in the form of cash or Permitted Investments; provided further that (i) any consideration in the form of Permitted Investments that are disposed of for cash consideration within 30 Business Days after such sale, transfer or other disposition shall be deemed to be cash consideration in an amount equal to the amount of such cash consideration for purposes of this proviso, (ii) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable sale, transfer, lease or other disposition and for which the Borrower and all the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing shall be deemed to be cash consideration in an amount equal to the liabilities so assumed and (iii) any Designated Non-Cash Consideration received by the Borrower or such Subsidiary in respect of such sale, transfer, lease or other disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (iii) that is at that time outstanding, not in excess of $15,000,000, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be deemed to be cash consideration.

SECTION 6.06. Sale and Leaseback Transactions. The Borrower will not, nor will the Borrower permit any Restricted Subsidiary to, enter into any arrangement, directly or indirectly (other than intercompany arrangements between or among the Borrower and any other Loan Party or between or among Restricted Subsidiaries that are not Loan Parties), whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets (as determined in good faith by the Borrower) by the Borrower or any Restricted Subsidiary that is made for cash consideration in an amount not less than the fair market

value of such fixed or capital asset and is consummated within 270 days after the Borrower or such Restricted Subsidiary acquires or completes the construction of such fixed or capital asset; provided that, if such sale and leaseback results in a Capital Lease Obligation, such Capital Lease Obligation is permitted by Section 6.01(a)(vi) and any Lien made the subject of such Capital Lease Obligation is permitted by Section 6.02(a)(v); provided, further, that, notwithstanding the foregoing, the Borrower shall be permitted to enter into the Palm Beach Gardens Facility Sale Leaseback, so long as any Net Proceeds thereof are applied in accordance with Section 2.11(c).

SECTION 6.07. Hedging Agreements. The Borrower shall not, nor shall the Borrower permit any Restricted Subsidiary to, enter into any Hedging Agreement other than Hedging Agreements entered into in the ordinary course of business and not for speculative purposes.

SECTION 6.08. Restricted Payments; Certain Payments of Junior Indebtedness. (a) The Borrower will not, nor will the Borrower permit any Restricted Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(i) the Borrower and/or any Restricted Subsidiary may use the proceeds of the Initial Term Loans, together with cash on hand of the Borrower and its Subsidiaries, to make the Closing Date Distribution;

(ii) any Restricted Subsidiary may declare and pay dividends or make other distributions with respect to its Equity Interests, or make other Restricted Payments in respect of its Equity Interests, in each case ratably to the holders of such Equity Interests;

(iii) [reserved];

(iv) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in shares of Qualified Equity Interests or Disqualified Equity Interests permitted hereunder;

(v) the Borrower may make Restricted Payments, not exceeding the greater of (A) $10,000,000 and (B) 7.0% of Consolidated EBITDA for the most recently ended Test Period (with unused amounts being carried over to the succeeding fiscal years) during any fiscal year, pursuant to and in accordance with stock option plans or other benefit or stock based compensation plans for directors, officers, consultants or employees of the Borrower and the Restricted Subsidiaries;

(vi) so long as no Event of Default has occurred and is continuing (or would result therefrom), the Borrower may repurchase its Equity Interests to the extent necessary to avoid equity dilution in an aggregate amount not to exceed $25,000,000 per fiscal year of the Borrower (with unused amounts being carried over solely to the immediate succeeding fiscal year);

(vii) other Restricted Payments, so long as (A) after giving effect thereto, the Consolidated Total Net Leverage Ratio does not exceed 3.25:1.00 and (B) no Event of Default has occurred and is continuing (or would result therefrom);

(viii) the Borrower may make cash payments in lieu of the issuance of fractional shares in connection with the exercise or settlement of any warrants or other option or forward contract with respect to the Borrower's capital stock or the conversion or exchange of securities convertible into or exchangeable for Equity Interests in the Borrower;

(ix) the Borrower may repurchase Equity Interests upon the exercise of stock options if such Equity Interests represent a portion of the exercise price of such stock options (and related redemption or cancellation of shares for payment of taxes or other amounts relating to the exercise under such stock option or other benefit plans);

(x) concurrently with any issuance of Qualified Equity Interests, the Borrower may redeem, purchase or retire any Equity Interests of the Borrower using the proceeds of, or convert or exchange any Equity Interests of the Borrower for, such Qualified Equity Interests;

(xi) [reserved];

(xii) the Borrower may declare and make Restricted Payments in an aggregate amount not to exceed, at the time such Restricted Payments are made and after giving effect thereto, the sum of (A) the greater of (x) $28,000,000 and (y) 20% of Consolidated EBITDA for the most recently ended Test Period plus (B) the Available Amount at such time; provided that the Borrower may only make Restricted Payments under this clause (xii) if (x) no Event of Default has occurred and is continuing (or would result therefrom) and (y) after giving effect thereto on a Pro Forma Basis, the Borrower would be in compliance with Section 6.13;

(xiii) [reserved];

(xiv) (i) any non-cash repurchases or withholdings of Equity Interests in connection with the exercise of stock options, warrants or similar rights if such Equity Interests represent a portion of the exercise of, or withholding obligations with respect to, such options, warrants or similar rights (for the avoidance of doubt, it being understood that any required withholding or similar tax related thereto may be paid by the Borrower or any Restricted Subsidiary in cash), and (ii) loans or advances to officers, directors and employees of the Borrower or any Restricted Subsidiary in connection with such Person's purchase of Equity Interests of the Borrower, provided that no cash is actually advanced pursuant to this clause (ii) other than to pay taxes due in connection with such purchase, unless immediately repaid; and

(xv) the Borrower may make payments pursuant to and required under the Tax Matters Agreement in an amount not to exceed the payments required thereunder pursuant to the form thereof provided to the Administrative Agent prior to the Closing Date.

(b) The Borrower will not, nor will the Borrower permit any Restricted Subsidiary to, prepay, redeem, purchase or otherwise satisfy any Indebtedness that is subordinated in right of payment to the Obligations (excluding, for the avoidance of doubt, any subordinated obligations owing to the Borrower or any Restricted Subsidiary) (collectively, "Restricted Debt Payments"), except for:

(i) payments of Indebtedness created under this Agreement or any other Loan Document;

(ii) regularly scheduled interest and principal payments as and when due in respect of any such Indebtedness, other than payments in respect of such Indebtedness prohibited by the subordination provisions thereof;

(iii) refinancings of Indebtedness with the proceeds of other Indebtedness permitted under Section 6.01;

(iv) payments of or in respect of Indebtedness in an amount equal to, at the time such payments are made and after giving effect thereto, (A) the greater of (x) $15,000,000 and (y) 10% of Consolidated EBITDA for the most recently ended Test Period plus (B) the Available Amount at such time; provided that the Borrower may only use the Available Amount under this clause (iv) if (x) no Event of Default shall have occurred and be continuing (or would result therefrom) and (y) after giving effect thereto on a Pro Forma Basis, the Borrower would be in compliance with Sections 6.13;

(v) payments required by the terms of the relevant Indebtedness, which terms are designed solely to ensure such instrument would not be treated, at issuance, as an "applicable high yield discount obligation" within the meaning of Section 163(i) of the Code;

(vi) the conversion of such Indebtedness to, or exchange of such Indebtedness for, Qualified Equity Interests of the Borrower; and

(vii) other payments of or in respect of Indebtedness, so long as (A) after giving effect thereto, the Consolidated Total Net Leverage Ratio does not exceed 3.25:1.00 and (B) no Event of Default has occurred and is continuing (or would result therefrom).

For purposes of this Section 6.08, if any Restricted Payment (or a portion thereof) would be permitted pursuant to one or more provisions described above and/or one or more of the exceptions contained in this Section 6.08, the Borrower and the Restricted Subsidiaries may divide and classify such Restricted Payment (or a portion thereof) in any manner that complies with this covenant and may later divide and reclassify (other than with respect to ratio-based baskets, if any) any such Restricted Payment so long as the Restricted Payment (as so divided and/or reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

SECTION 6.09. Transactions with Affiliates. The Borrower will not, nor will the Borrower permit any Restricted Subsidiary to, sell, lease or otherwise transfer any assets to, or purchase, lease or otherwise acquire any assets from, or otherwise engage in any other transactions involving aggregate consideration in excess of $15,000,000 with, any of its Affiliates, except (i) transactions that are at prices and on terms and conditions not less favorable to the Borrower or such Restricted Subsidiary, taken as a whole, than could be obtained on an arm's-length basis from unrelated third parties, (ii) transactions (A) between or among the Loan Parties not involving any other Affiliate or (B) between or among Restricted Subsidiaries that are not Loan Parties, (iii) advances, equity issuances, repurchases, retirements or other acquisitions or retirements of Equity Interests and other Restricted Payments permitted under Section 6.08 and Investments in Subsidiaries (and in any other Person that is an Affiliate of the Borrower solely by virtue of the Borrower owning, directly or indirectly through one or more Subsidiaries, Equity Interests in such Person and Controlling such person) permitted under Section 6.04 and any other transaction involving the Borrower and the Restricted Subsidiaries permitted under Section 6.03 to the extent such transaction is between the Borrower and one or more Restricted Subsidiaries or between two or more Restricted Subsidiaries or Section 6.05 (to the extent such transaction is not required to be for fair market value thereunder), (iv) the payment of reasonable fees to directors of the Borrower or any Restricted Subsidiary who are not employees of the Borrower or any Restricted Subsidiary, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers, consultants or employees of the Borrower or the Restricted Subsidiaries in the ordinary course of business, (v) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by the Borrower's board of directors, (vi) employment and severance arrangements entered into in the ordinary course of business between the Borrower or any Restricted Subsidiary and any employee thereof and approved by the Borrower's board of directors, and (vii) payments made to other Restricted Subsidiaries arising from or in connection with any customary tax consolidation and grouping arrangements.

SECTION 6.10. Restrictive Agreements. The Borrower will not, nor will the Borrower permit any Restricted Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Restricted Subsidiary to create, incur or permit to exist any Lien upon any of its assets that are Collateral or required to be Collateral to secure the Obligations or (b) the ability of any Restricted Subsidiary that is not a Loan Party to pay dividends or other distributions with respect to any of its Equity Interests, to make or repay loans or advances to the Borrower or any Loan Party or to transfer any of its properties or assets to the Borrower or any Restricted Subsidiary or to grant Liens on its assets (including Equity Interests) to the Administrative Agent; provided that (i) the foregoing shall not apply to (A) restrictions and conditions imposed by law or by this Agreement, any Spin-Off Document in the form thereof provided to the Administrative Agent prior to the Closing Date, any other Loan Document, any Incremental Facility Amendment, any Refinancing Facility Agreement, any document governing any Refinancing Term Loan Indebtedness or Refinancing Indebtedness or any document governing Alternative Incremental Facility Debt, (B) in the case of any Restricted Subsidiary that is not a wholly owned Restricted Subsidiary, restrictions and conditions imposed by its organizational documents or any related joint venture or similar agreements; provided that such restrictions and conditions apply only to such Restricted Subsidiary and to the Equity Interests of such Restricted Subsidiary, (C) customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary or any assets of the Borrower or any Restricted Subsidiary, in each case pending such sale; provided that such restrictions and conditions apply only to such Restricted Subsidiary or the assets that are to be sold and, in each case, such sale is permitted hereunder, (D) restrictions and conditions existing on the Effective Date or the Closing Date and identified on Schedule 6.10 (and any extension or renewal of, or any amendment, modification or replacement of the documents set forth on such schedule that do not expand the scope of, any such restriction or condition in any material respect), (E) restrictions and conditions imposed by any agreement relating to Indebtedness of any Restricted Subsidiary in existence at the time such Restricted Subsidiary became a Restricted Subsidiary and otherwise permitted by clause (vii) of Section 6.01(a) or to any restrictions in any Indebtedness of a Restricted Subsidiary that is not a Loan Party permitted by clause (viii) or clause (xix) of Section 6.01(a), in each case if such restrictions and conditions apply only to such Restricted Subsidiary and its subsidiaries, (F) customary prohibitions, restrictions and conditions (as determined by the Borrower in good faith) contained in agreements relating to a Permitted Receivables Facility, (G) any encumbrance or restriction under documentation governing other Indebtedness of the Borrower and any Restricted Subsidiaries permitted to be incurred pursuant to Section 6.01, provided that such encumbrances or restrictions will not materially impair (as determined by the Borrower in good faith) (1) the Borrower's ability to make principal and interest payments hereunder or (2) the ability of the Loan Party to provide any Lien upon any of its assets that are Collateral or required to be Collateral, (H) customary provisions in leases, licenses, sublicenses and other contracts (including non-exclusive licenses and sublicenses of IP Rights) restricting the assignment thereof, (I) restrictions imposed by any agreement relating to secured Indebtedness or other Liens permitted by this Agreement to the extent

such restriction applies only to the property securing such Indebtedness or covered by such Liens, (J) restrictions on cash (or Permitted Investments) or other deposits imposed by agreements entered into in the ordinary course of business (or other restrictions on cash or deposits constituting Permitted Encumbrances), (K) customary restrictions contained in leases, subleases, licenses, sublicenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate only to the assets subject thereto, (L) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Restricted Subsidiary and (M) customary net worth provisions contained in real property leases entered into by Subsidiaries, so long as the Borrower has determined in good faith that such net worth provisions would not reasonably be expected to impair the ability of the Borrower and its Subsidiaries to meet their ongoing obligations; and (ii) clause (a) of the foregoing shall not apply to (A) restrictions and conditions imposed by any agreement relating to secured Indebtedness permitted by clause (vi) of Section 6.01(a) if such restrictions and conditions apply only to the assets securing such Indebtedness and (B) customary provisions in leases and other agreements restricting the assignment thereof.

SECTION 6.11. Amendment of Material Documents, Etc. The Borrower will not, nor will the Borrower permit any of its Restricted Subsidiaries to, amend, modify or waive, (i) its certificate of incorporation, bylaws or other organizational documents, (ii) any of the Spin-Off Documents, in each case if the effect of such amendment, modification or waiver would be materially adverse to the interests of the Lenders without the consent of the Required Lenders.

SECTION 6.12. [Reserved].

SECTION 6.13. Consolidated Total Net Leverage Ratio. The Borrower will not permit the Consolidated Total Net Leverage Ratio for any period of four consecutive fiscal quarters of the Borrower ending on any date during any Test Period, beginning at the end of the first full fiscal quarter ending after the Closing Date, to exceed 6.00 to 1.00.

SECTION 6.14. Changes in Fiscal Periods. The Borrower will not make any change in fiscal year; provided, however, that the Borrower may, upon written notice to the Administrative Agent, change its fiscal year to any other fiscal year reasonably acceptable to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders, to make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

Notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document but without limitation of the condition in Section 4.02(c), no provision of this Agreement or any other Loan Document shall prevent or restrict the consummation of the Transactions, nor shall the Transactions give rise to any Default, or constitute the utilization of any basket, under this Agreement (including this Article VI) or any other Loan Document; provided, that, notwithstanding the text preceding this proviso, to the extent that any Indebtedness, Liens, Investments, asset sales, sale and leaseback transactions,

Restricted Payments or Restricted Debt Payments, in each case, of or by the Borrower or any Restricted Subsidiary in connection with the Transactions (each a "Negative Covenant Action"), are not described in the Effective Date Form 10, it is understood and agreed that (x) any such Negative Covenant Action shall utilize an applicable basket or exception for such Negative Covenant Action and (y) to the extent that the Borrower and its Restricted Subsidiaries do not have available capacity under any applicable basket or exception for any such Negative Covenant Action, a Default shall arise.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events (each such event, an "Event of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section 7.01) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Restricted Subsidiary in this Agreement or any other Loan Document, or in any report, certificate or financial statement furnished pursuant to or in connection with this Agreement or any other Loan Document, shall prove to have been incorrect in any material respect when made or deemed made and, to the extent capable of being cured, such incorrect representation or warranty shall remain incorrect for a period of 30 days following written notice thereof from the Administrative Agent to the Borrower;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.04 (with respect to the existence of the Borrower), 5.11 or Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Section), and such failure shall continue unremedied for a period of 30 days after written notice thereof from the Administrative Agent or any Lender to the Borrower;

(f) the Borrower or any Restricted Subsidiary shall fail to make any payment (whether of principal, interest, premium or otherwise and regardless of amount) in respect of any Material Indebtedness when and as the same shall become due and payable (after giving effect to any applicable grace period under the documentation representing such Material Indebtedness);

(g) any event or condition occurs that results in any Material Indebtedness becoming due or being terminated or required to be prepaid, repurchased, redeemed or defeased prior to its scheduled maturity or that enables or permits (with all applicable grace periods in respect of such event or condition under the documentation representing such Material Indebtedness having expired), the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf, or, in the case of any Hedging Agreement, the applicable counterparty, to cause any Material Indebtedness to become due, or to terminate or require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (w) any secured Indebtedness that becomes due as a result of the voluntary sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement), (x) any Indebtedness that becomes due as a result of a voluntary refinancing thereof permitted under Section 6.01, (y) [reserved] or (z) termination events or similar events occurring under any Hedging Agreement (other than a termination event or similar event as to which the Borrower or any of its Restricted Subsidiaries is the defaulting party) that constitutes Material Indebtedness (it being understood that paragraph (f) of this Section 7.01 will apply to any failure to make any payment required as a result of such termination or similar event);

(h) except as otherwise provided in Section 7.02, (i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (A) liquidation, reorganization or other relief in respect of the Borrower or any Restricted Subsidiary or its debts, or of a substantial part of its assets, under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (B) the appointment of a receiver, trustee, custodian, sequestrator, conservator, liquidator, administrative receiver, administrator, receiver and manager or similar official for the Borrower or any Restricted Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered or (ii) the Borrower or any Loan Party that is a Material Subsidiary (A) admits publicly its inability to pay its debts as they fall due or (B) has a moratorium declared in relation to any of its Indebtedness;

(i) except as otherwise provided in Section 7.02, the Borrower or any Restricted Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation (other than any liquidation permitted under Section 6.03(a)(iv)), reorganization or other relief under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Restricted Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors;

(j) [reserved];

(k) one or more judgments for the payment of money in an aggregate amount in excess of $50,000,000 (other than any such judgment covered by insurance (other than under a self-insurance program) to the extent a claim therefor has been made in writing and liability therefor has not been denied by the insurer) shall be rendered against the Borrower, any Restricted Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Restricted Subsidiary that are material to the business and operations of the Borrower or any Restricted Subsidiary, taken as a whole, to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred and are continuing and remain uncured, would reasonably be expected to result in a Material Adverse Effect;

(m) from and after the Closing Date, any Lien purported to be created under any Security Document shall cease to be, or shall be asserted in writing by any Loan Party not to be, a valid and perfected Lien on any material portion of the Collateral, with the priority required by the applicable Security Document, except as a result of (i) permission under any Loan Document (including the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents), (ii) the release thereof as provided in Section 9.14, (iii) the Administrative Agent's failure to (A) maintain possession of any stock certificate, promissory note or other instrument delivered to it under any Security Document or (B) file Uniform Commercial Code continuation statements (or equivalent statements in any other relevant jurisdiction) or (iv) as to Collateral consisting of Mortgaged Property, to the extent that such losses are covered by a lender's title insurance policy and such insurer has not denied coverage;

(n) from and after the Closing Date, any material Security Document shall cease to be, or shall be asserted in writing by any Loan Party not to be a legal, valid and binding obligation of any Loan Party party thereto, except as expressly permitted hereunder or thereunder or as a result of the release thereof as provided in the applicable Loan Document or Section 9.14;

(o) from and after the Closing Date, any Guarantee purported to be created under any Loan Document shall cease to be or shall be asserted in writing by any Loan Party not to be, in full force and effect, except as in accordance with the terms of the Loan Documents (including a result of the release thereof as provided in the applicable Loan Document or Section 9.14); or

(p) a Change in Control shall occur;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part (but ratably as among the Classes of Loans and the Loans of each Class at such time outstanding), in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall become due and payable immediately and (iii) require the deposit of cash collateral in respect of LC Exposure as provided in Section 2.05(i), in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in the case of any event with respect to the Borrower described in clause (h) or (i) of this Section, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall immediately and automatically become due and payable and the deposit of such cash collateral in respect of LC Exposure shall immediately and automatically become due, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 7.02. Exclusion of Certain Subsidiaries. Solely for the purposes of determining whether a Default has occurred under clause (h) or (i) of Section 7.01, any reference in any such paragraph to any Restricted Subsidiary shall be deemed not to include any Restricted Subsidiary affected by any event or circumstance referred to in such paragraph that is not a Material Subsidiary; provided that (i) if it is necessary to exclude more than one Restricted Subsidiary from clause (h) or (i) of Section 7.01 pursuant to this paragraph in order to avoid a Default, the aggregate consolidated assets of all such excluded Restricted Subsidiaries as of such last day may not exceed 10.0% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries and the aggregate consolidated revenues of all such excluded Restricted Subsidiaries for such four fiscal quarter period may not exceed 10.0% of the consolidated revenues of the Borrower and the Restricted Subsidiaries and (ii) in no circumstance shall the Borrower be excluded from clause (h) or (i) of Section 7.01.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Appointment and Other Matters.

(a) Each Lender and each Issuing Bank hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent and collateral agent under the Loan Documents and each Lender and each Issuing Bank authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than within the United States, each Lender and each Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute and enforce any Security Document governed by the laws of such jurisdiction on such Lender's or such Issuing Bank's behalf. Without limiting the foregoing, each Lender and each Issuing Bank hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender and each Issuing Bank; provided, however, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders and the Issuing Banks with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; provided, further, that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Banks (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender, Issuing Bank or holder of any other obligation other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and the transactions contemplated hereby;

(ii) where the Administrative Agent is required or deemed to act as a trustee in respect of any Collateral over which a security interest has been created pursuant to a Loan Document expressed to be governed by the laws of the United States of America, any State thereof or the District of Columbia, the obligations and liabilities of the Administrative Agent to the Secured Parties in its capacity as trustee shall be excluded to the fullest extent permitted by applicable law;

(iii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account.

(d) The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender or an Issuing Bank as any other Lender or Issuing Bank and may exercise the same as though it were not the Administrative Agent. The terms "Issuing Banks", "Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender, Issuing Bank or as one of the Required Lenders, as applicable. The Person serving as Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or the Issuing Banks.

(e) The Administrative Agent may perform any of and all its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of and all their respective duties and exercise their respective rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

(f) In case of the pendency of any proceeding with respect to any Loan Party under any Federal, State or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any LC Disbursement shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.16, 2.17 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Bank and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Banks or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank or to authorize the Administrative Agent to vote in respect of the claim of any Lender or Issuing Bank in any such proceeding.

(g) Notwithstanding anything herein to the contrary, the Arrangers shall not have any duties or obligations under this Agreement or any other Loan Document (except in its capacity, as applicable, as a Lender or an Issuing Bank), but all such Persons shall have the benefit of the indemnities provided for hereunder.

(h) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Banks, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary shall have any rights as a third party beneficiary of any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

SECTION 8.02. Administrative Agent's Reliance, Indemnification, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by it under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by the Borrower, a Lender or an Issuing Bank, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in this Agreement or any other Loan Document or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of

this Agreement or any other Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere in this Agreement or any other Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent or (vi) the creation, perfection or priority of Liens on the Collateral. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any loss, cost or expense suffered by the Borrower, any Subsidiary, any Lender or any Issuing Bank as a result of, any determination of the Revolving Exposure or the component amounts thereof or any portion thereof attributable to each Lender or Issuing Bank, or of the Weighted Average Yield.

(c) Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender or Issuing Bank and shall not be responsible to any Lender or Issuing Bank for any statements, warranties or representations made by or on behalf of any Loan Party in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Bank, may presume that such condition is satisfactory to such Lender or Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or Issuing Bank sufficiently in advance of the making of such Loan or the issuance of such Letter of Credit and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

SECTION 8.03. Successor Administrative Agent.

(a) Subject to the terms of this paragraph, the Administrative Agent may resign from its capacity as such upon 30 days' notice of its intent to resign to the Lenders, the Issuing Banks and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (which shall not be unreasonably withheld or delayed), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its

intent to resign, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Borrower and such successor.

(b) Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Security Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties, and continue to be entitled to the rights set forth in such Security Document and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Security Document, including any action required to maintain the perfection of any such security interest), and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (i) above.

SECTION 8.04. Acknowledgments of Lenders and Issuing Banks.

(a) Each Lender and each Issuing Bank acknowledges that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger, or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date and funding its Loans on the Closing Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, this Agreement and each other Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date and/or the Closing Date, as applicable.

(c) (i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.04(c) shall be conclusive, absent manifest error.

(ii) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party.

(iv) Each party's obligations under this Section 8.04(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

SECTION 8.05. Collateral Matters.

(a) Except (x) with respect to the exercise of setoff rights of any Lender in accordance with Section 9.08 or (y) with respect to a Secured Party's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof.

(b) In furtherance of the foregoing and not in limitation thereof, no arrangements in respect of Cash Management Services the obligations under which constitute Secured Cash Management Obligations and no Hedging Agreement the obligations under which constitute Secured Hedging Obligations will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under this Agreement or any other Loan Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such arrangement in respect of Cash Management Services or Hedging Agreement shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

(c) The Secured Parties party hereto irrevocably authorize the Administrative Agent, at its option and in its discretion, to release or subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document and any Acceptable Intercreditor Agreement to the holder of any Lien on such property that is permitted by Section 6.02(a)(v). The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(d) The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the applicable Collateral in satisfaction of some or all of such Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the

Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.02 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the applicable Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

(e) The Lenders and the other Secured Parties party hereto hereby irrevocably authorize and instruct the Administrative Agent to, without any further consent of any Lender or any other Secured Party, enter into any Applicable Intercreditor Agreement, and to enter into (or acknowledge and consent to) or amend, renew, extend, supplement, restate, replace, waive or otherwise modify any Acceptable Intercreditor Agreement; provided that the specific consent of counterparties to any Hedging Agreement the obligations under which constitute Secured Hedging Obligations, each provider of Cash Management Services the obligations under which constitute Secured Cash Management Obligations, or each Issuing Bank shall be required for any amendment, renewal, extension, supplement, restatement, replacement or waiver to the extent its rights and obligations solely in its capacity as such are materially adversely affected. The Lenders and the other Secured Parties (by acceptance of the benefits of the Security Documents) irrevocably agree that any Acceptable Intercreditor Agreement entered into by the Administrative Agent shall be binding on the Secured Parties, and each Lender and each

of the other Secured Parties hereby agrees that it will take no actions contrary to the provisions of an Acceptable Intercreditor Agreement. The foregoing provisions are intended as an inducement to any provider of any Indebtedness not prohibited by Section 6.01 hereof to extend credit to the Loan Parties and such persons are intended third-party beneficiaries of such provisions.

SECTION 8.06. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(c) The Administrative Agent and each Arranger hereby informs the Lenders that each such Person is not undertaking to provide investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Document, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) General. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) of this Section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax (to the extent fax information is provided below), as follows:

(i) if to the Borrower, to it at 10225 Westmoor Drive, Westminster, CO 80021, Attention: Rich Heppenstall (E-mail: Rich.Heppenstall@zimmerbiomet.com); with a copy to (which shall not constitute notice), 10225 Westmoor Drive, Westminster, CO 80021, Attention: Heather Kidwell (E-mail: Heather.Kidwell@zimmerbiomet.com);

(ii) if to the Administrative Agent or the Swingline Lender in respect of (i) Borrowings and all other matters, to it at JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 500 Stanton Christiana Rd., NCC5 / 1st Floor, Newark, DE 19713, Attention of Marsea Medori (Email: marsea.medori@chase.com) , with a copy to JPMorgan Chase Bank, N.A., 383 Madison Avenue, Floor 24, New York, New York 10179, Attention of Maurice Dattas (Telephone No.: (212) 270-5347, Email: maurice.dattas@jpmorgan.com) and (ii) in its capacity as Issuing Bank to it at JPMorgan Chase Bank, N.A., 10420 Highland Manor Dr. 4th Floor, Tampa, FL 33610, Attention: Standby LC Unit (Telephone No.: 800-634-1969, Fax No.: 856-294-5267, Email: gts.client.services@jpmchase.com), with a copy to JPMorgan Chase Bank, N.A., 500 Stanton Christiana Road, NCC5/Floor 1, Newark, Delaware 19713, Attention of Marsea Medori (Email: marsea.medori@chase.com);

(iii) if to any Issuing Bank, to it at its address or email address (or fax number) most recently specified by it in a notice delivered to the Administrative Agent and the Borrower (or, in the absence of any such notice, to the address or email address (or fax number) set forth in the Administrative Questionnaire of the Lender that is serving as such Issuing Bank or is an Affiliate thereof); and

(iv) if to any other Lender, to it at its address or email address (or fax number) set forth in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications, to the extent provided in paragraph (b) of this Section, shall be effective as provided in such paragraph.

(b) Electronic Communications. Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communication (including e-mail and Internet and intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices under Article II to any Lender or any Issuing Bank if such Lender or such

Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications or may be rescinded by any such Person by notice to each other such Person.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefore; provided that, for both clauses (i) and (ii) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address or fax number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications by posting such Communications on Debt Domain, IntraLinks, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Platform").

(ii) Although the Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Platform is secured through a per-deal authorization method whereby each user may access the Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of the Communications through the Platform and understands and assumes the risks of such distribution.

(iii) THE PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE PLATFORM EXCEPT TO THE EXTENT SUCH DAMAGES ARE FOUND IN A FINAL AND NON-APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM THE BAD FAITH, WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF AN APPLICABLE PARTY OR ANY OF ITS RELATED PARTIES.

(iv) Each Lender and each Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender or Issuing Bank (as applicable) for purposes of the Loan Documents. Each Lender and each Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or Issuing Bank's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(v) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(vi) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the generality of the foregoing, the execution and delivery of this Agreement, the making of a Loan or the issuance, amendment, renewal or extension of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Except as provided in Sections 2.14(b), 2.21, 2.22, 2.23 and 9.02(c), none of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower, the Administrative Agent and the Required Lenders and, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender (it being understood and agreed that a waiver of any Default or Event of Default will not constitute an increase in the Commitment of any Lender), (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, in each case without the written consent of each Lender adversely affected thereby (it being understood and agreed that a waiver of any Default or Event of Default will not constitute a reduction in the

principal amount of any Loan), (iii) postpone the scheduled maturity date of any Loan, or the date of any scheduled payment of the principal amount of any Term Loan under Section 2.10 or the applicable Incremental Facility Amendment or the required date of reimbursement of any LC Disbursement, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender adversely affected thereby (it being understood and agreed that a waiver of any Default or Event of Default will not constitute a postponement of the scheduled maturity date of any loan, or the date of any scheduled payment of principal, interest or fees payable hereunder), (iv) change the last sentence of Section 2.08(c), Section 2.18(a), Section 2.18(b), Section 2.18(c) or any other Section hereof or any other Loan Document providing for the ratable treatment of the Lenders, in each case in a manner that would alter the pro rata termination of commitments or sharing of payments required thereby, or change Section 5.02 of the Collateral Agreement in a manner that would alter the priorities or sharing of payments required thereby, in each case without the written consent of each Lender adversely affected thereby, (v) change any of the provisions of this Section or the definition of the term "Required Lenders" or "Majority in Interest" or any other provision of this Agreement or any other Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or otherwise modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender of such Class, as applicable); provided that, with the consent of the Required Lenders, the provisions of this Section and the definition of the term "Required Lenders" or "Majority in Interest" may be amended to include references to any new class of loans created under this Agreement (or to lenders extending such loans) on substantially the same basis as the corresponding references relating to the existing Classes of Loans or Lenders, (vi) release all or substantially all of the value of the Guarantees provided by the Loan Parties under the Security Documents, in each case without the written consent of each Lender (except as expressly provided in Section 9.14 or the Security Documents (including any such release by the Administrative Agent in connection with any sale or other disposition of any Subsidiary upon the exercise of remedies under the Security Documents)), (vii) release all or substantially all the Collateral from the Liens of the Security Documents or subordinate the Liens on all or substantially all of the Collateral, in each case without the written consent of each Lender (except as expressly provided in Section 9.14 or the applicable Security Document (including any such release by the Administrative Agent in connection with any sale or other disposition of the Collateral upon the exercise of remedies under the Security Documents)), (viii) waive any condition set forth in Section 4.01 or Section 4.02 (other than as it relates to the payment of fees and expenses of counsel), or, in the case of any Loans made or Letters of Credit issued on the Closing Date, Section 4.03, without the written consent of each Lender or, in the case of Section 4.03, without the written consent of each Lender with a Revolving Commitment and each Issuing Bank (as applicable), (ix) change any provisions of this Agreement or any other Loan Document in a manner that by its terms adversely affects the rights in respect of Collateral securing the obligations owed to, or payments due to, Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of Lenders representing a Majority in Interest of each affected Class or

(x) change the rights of the Term Lenders to decline mandatory prepayments as provided in Section 2.11 or the rights of any Additional Lenders of any Class to decline mandatory prepayments of Term Loans of such Class as provided in the applicable Incremental Facility Amendment, without the written consent of Term Lenders or Additional Lenders of such Class, as applicable, holding a majority of the outstanding Term Loans or Incremental Term Loans of such Class; provided further that (A) no such agreement shall amend, modify, extend or otherwise affect the rights or obligations of the Administrative Agent, any Issuing Bank or the Swingline Lender without the prior written consent of the Administrative Agent, such Issuing Bank or the Swingline Lender, as applicable, (B) any waiver, amendment or other modification of this Agreement that by its terms affects the rights or duties under this Agreement of the Lenders of one or more Classes (but not the Lenders of any other Class) may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite number or percentage in interest of each affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time (provided that any change that would directly and adversely affect a Class of Lenders hereunder shall require the written consent of the Majority in Interest with respect to each such Class directly and adversely affected thereby) and (C) if the terms of any waiver, amendment or other modification of this Agreement or any other Loan Document provide that any Class of Loans (together with all accrued interest thereon and all accrued fees payable with respect to the Commitments of such Class) will be repaid or paid in full, and the Commitments of such Class (if any) terminated, as a condition to the effectiveness of such waiver, amendment or other modification, then so long as the Loans of such Class (together with such accrued interest and fees) are in fact repaid or paid in full and such Commitments are in fact terminated, in each case prior to or substantially simultaneously with the effectiveness of such amendment, then such Loans and Commitments shall not be included in the determination of the Required Lenders with respect to such amendment. Notwithstanding any of the foregoing, (1) no consent with respect to any waiver, amendment or other modification of this Agreement or any other Loan Document shall be required of any Defaulting Lender, except with respect to any waiver, amendment or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be affected by such waiver, amendment or other modification, (2) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent (i) to cure any ambiguity, omission, mistake, defect or inconsistency (so long as the Lenders shall have received at least five Business Days prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from (x) the Required Lenders stating that the Required Lenders object to such amendment or (y) if affected by such amendment, any Issuing Bank stating that it objects (in its capacity as an Issuing Bank) to such amendment), (ii) to comply with local law or advice of local counsel, (iii) to cause any guarantee, collateral security document (including Mortgages) or other document to be consistent with this Agreement, the other Loan Documents and each Acceptable Intercreditor Agreement, (iv) to give effect to the provisions of Sections 2.14(b)-(f) and (3) this Agreement may be amended to provide for Incremental Extensions of Credit in the

manner contemplated by Section 2.21, the extension of the Maturity Date as provided in Section 2.22 and the incurrence of Refinancing Term Loan Indebtedness as provided in Section 2.23, in each case without any additional consents, and such amendments may effect such changes to the Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to give effect to the existence and the terms of the Incremental Extensions of Credit, the extension of the Maturity Date or the incurrence of Refinancing Term Loan Indebtedness, as applicable, and to the extent permitted under the terms of this Agreement, will be effective to amend the terms of this Agreement and the other applicable Loan Documents (including to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other applicable Loan Documents with the other Term Loans and the accrued interest and fees in respect thereof and to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders), in each case, without any further action or consent of any other party to any Loan Document.

(c) In connection with any Proposed Change requiring the consent of all Lenders or all affected Lenders, if the consent of the Required Lenders (and, to the extent any Proposed Change requires the consent of Lenders holding Loans of any Class pursuant to clause (iv) of paragraph (b) of this Section, the consent of a Majority in Interest of the outstanding Loans and unused Commitments of such Class) to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in paragraph (b) of this Section being referred to as a "Non-Consenting Lender" for purposes of this clause (c)), then the Borrower may, at its sole expense and effort, upon notice to such Non-Consenting Lender and the Administrative Agent, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) if the Administrative Agent is not such Non-Consenting Lender, the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, each Issuing Bank), which consent shall not unreasonably be withheld or delayed, (ii) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (with such assignment being deemed to be an optional prepayment for purposes of determining the applicability of such Section) from the assignee (in the case of such principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b), (iv) such assignment does not conflict with applicable law and (v) the assignee shall have given its consent to such Proposed Change and, as a result of such assignment and delegation and any contemporaneous assignments and delegations and consents, such Proposed Change can be effected. Any assignment required pursuant to this Section 9.02(c) may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee, and the Lender required to make such assignment shall not be required to be a party to such Assignment and Assumption.

(d) Notwithstanding anything herein to the contrary, the Administrative Agent may, without the consent of any Secured Party, consent to a departure by any Loan Party from any covenant of such Loan Party set forth in this Agreement or any Security Document to the extent such departure is consistent with the authority of the Administrative Agent set forth in the definition of the term "Collateral and Guarantee Requirement".

(e) The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute waivers, amendments or other modifications on behalf of such Lender. Any waiver, amendment or other modification effected in accordance with this Section, shall be binding upon each Person that is at the time thereof a Lender and each Person that subsequently becomes a Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay, (i) all reasonable, documented and invoiced out-of-pocket expenses incurred by the Administrative Agent, the Arrangers and their respective Affiliates (without duplication), including the reasonable fees and documented charges and disbursements of a single primary counsel and to the extent reasonably determined by the Administrative Agent to be necessary, one local counsel in each appropriate jurisdiction, in connection with the structuring, arrangement and syndication of the credit facilities provided for herein and any credit or similar facility refinancing or replacing, in whole or in part, any of the credit facilities provided for herein, as well as the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents or any waiver, amendments or modifications of the provisions hereof or thereof, (ii) all reasonable, documented and invoiced out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable, documented and invoiced out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank, any Lender or any Arranger, including the reasonable, documented and invoiced fees, charges and disbursements of counsel for any of the foregoing, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Borrower shall indemnify the Administrative Agent, each Arranger, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all Liabilities and related expenses, including the fees, charges and disbursements of one firm of counsel for all such Indemnitees, taken as a whole, and, if reasonably necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple

jurisdictions) for all such Indemnitees, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnitee affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnitee and, if reasonably necessary, of another firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions) for such affected Indemnitee), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, (ii) the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (iii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iv) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (v) any actual or prospective Proceeding relating to any of the foregoing, whether or not such Proceeding is brought by the Borrower or any other Loan Party or its or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (A) the bad faith, willful misconduct or gross negligence of such Indemnitee, (B) a claim brought by the Borrower or any Subsidiary against such Indemnitee for material breach in bad faith of such Indemnitee's obligations under this Agreement or any other Loan Document or (C) a Proceeding that does not involve an act or omission by the Borrower or any of its Affiliates and that is brought by an Indemnitee against any other Indemnitee (other than a proceeding that is brought against the Administrative Agent or any other agent or any Arranger in its capacity or in fulfilling its roles as an agent or arranger hereunder or any similar role with respect to the Indebtedness incurred or to be incurred hereunder). This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) No Loan Party shall be liable for any settlement of any Proceeding if such settlement was effected without the Loan Parties' consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with the written consent of the Loan Parties or if there is a final judgment for the plaintiff in any such Proceeding, the Loan Parties agree to indemnify and hold harmless each Indemnitee from and against any and all Liabilities and related expenses by reason of such settlement or judgment in accordance with the terms of paragraph (b) above. No Loan Party shall, without the prior written consent of the applicable Indemnitee (which consent shall not be unreasonably withheld, conditioned or delayed), effect any settlement of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such

Indemnitee unless (x) such settlement includes an unconditional release of such Indemnitee in form and substance reasonably satisfactory to such Indemnitee from all liability on claims that are the subject matter of such Proceedings and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnitee or any injunctive relief or other non-monetary remedy.

(d) Each Lender severally agrees to pay any amount required to be paid by the Borrower under paragraphs (a), (b) or (c) of this Section to the Administrative Agent, each Issuing Bank and the Swingline Lender and each Related Party of any of the foregoing Persons (each, an "Agent-Related Person") (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Applicable Percentage in effect on the date on which such payment is sought under this Section (or, if such payment is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Applicable Percentage immediately prior to such date), and agrees to indemnify and hold each Agent-Related Person harmless from and against any and all Liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent-Related Person in any way relating to or arising out of the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent-Related Person under or in connection with any of the foregoing; provided that the unreimbursed expense or Liability or related expense, as the case may be, was incurred by or asserted against such Agent-Related Person in its capacity as such; provided, further, that no Lender shall be liable for the payment of any portion of such Liabilities, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from such Agent-Related Person's gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(e) To the fullest extent permitted by applicable law, (i) the Borrower shall not assert, or permit any of its Affiliates or Related Parties to assert, and hereby waives, any claim against any Indemnitee for any Liabilities arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), except to the extent such Liabilities are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the bad faith, willful misconduct or gross negligence of any Indemnitee or Related Party of any Indemnitee or (ii) neither any Indemnitee nor any other party to this Agreement or any other Loan Document shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that nothing in this clause (ii) shall limit the expense reimbursement and indemnification obligations of the Borrower set forth in paragraphs (a) and (b) of this Section 9.03.

(f) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) General. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign, delegate or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and (ii) no Lender may assign, delegate or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section), the Arrangers and, to the extent expressly contemplated hereby, the Related Parties of any of the Administrative Agent, any Arranger, any Issuing Bank and any Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign and delegate to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent of (A) the Borrower (such consent not to be unreasonably withheld or delayed); provided that no consent of the Borrower shall be required (1) for assignments of Commitments or Loans of any Class to another Lender under such Class, an Affiliate of a Lender under such Class or an Approved Fund and (2) if an Event of Default of the type set forth in Section 7.01(a), (b), (h) or (i) has occurred and is continuing, for any other assignment and delegation; provided further that the Borrower shall be deemed to have consented to an assignment and delegation of rights and obligations of Term Loans unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof, (B) the Administrative Agent (such consent not to be unreasonably withheld or delayed); provided that no consent of the Administrative Agent shall be required for an assignment and delegation of all or any portion of a Term Commitment or Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund, (C) each Issuing Bank (such consent not to be unreasonably withheld or delayed) in the case of any assignment and delegation of all or a portion of a Revolving Commitment or any Lender's obligations in respect of its LC Exposure and (D) the Swingline Lender (such consent not to be unreasonably withheld or delayed) in the case of any assignment and delegation of all or a portion of a Revolving Commitment or any Lender's obligations in respect of its Swingline Exposure.

(ii) Assignments and delegations shall be subject to the following additional conditions: (A) except in the case of an assignment and delegation to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment and delegation of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment and delegation (determined as of the trade date specified in the Assignment and Assumption with respect to such assignment and delegation or, if no trade date is so specified, as of the date the Assignment and Assumption with respect to such assignment and delegation is delivered to the Administrative Agent) shall not be less than $5,000,000 (treating contemporaneous assignments by or to two or more Approved Funds as a single assignment for purposes of such minimum transfer amount), unless each of the Borrower and the Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed); provided that no such consent of the Borrower shall be required if an Event of Default of the type set forth in Section 7.01(a), (b), (h) or (i) has occurred and is continuing, (B) each partial assignment and delegation shall be made as an assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause (B) shall not be construed to prohibit the assignment and delegation of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans, (C) the parties to each assignment and delegation shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that (1) the Administrative Agent may waive or reduce such fee in its sole discretion and (2) with respect to any assignment and delegation pursuant to Section 2.19(b) or 9.02(c), the parties hereto agree that such assignment and delegation may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment and delegation need not be a party thereto, and (D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent any tax forms required by Section 2.17(f) and an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable law, including Federal, State and foreign securities laws.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned and delegated by such Assignment and Assumption, have the rights and obligations of a Lender

under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned and delegated by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of (and subject to the obligations and limitations of) Sections 2.15, 2.16, 2.17 and 9.03 and to any fees payable hereunder that have accrued for such Lender's account but have not yet been paid). Any assignment, delegation or other transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 9.04(c).

(iv) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and, as to entries pertaining to it, any Issuing Bank or any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon receipt by the Administrative Agent of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and any tax forms required by Section 2.17(f) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment and delegation required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that the Administrative Agent shall not be required to accept such Assignment and Assumption or so record the information contained therein if the Administrative Agent reasonably believes that such Assignment and Assumption lacks any written consent required by this Section or is otherwise not in proper form, it being acknowledged that the Administrative Agent shall have no duty or obligation (and shall incur no liability) with respect to obtaining (or confirming the receipt) of any such written consent

or with respect to the form of (or any defect in) such Assignment and Assumption, any such duty and obligation being solely with the assigning Lender and the assignee. No assignment or delegation shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph and, following such recording, unless otherwise determined by the Administrative Agent (such determination to be made in the sole discretion of the Administrative Agent, which determination may be conditioned on the consent of the assigning Lender and the assignee), shall be effective notwithstanding any defect in the Assignment and Assumption relating thereto. Each assigning Lender and the assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the Administrative Agent that all written consents required by this Section with respect thereto (other than the consent of the Administrative Agent) have been obtained and that such Assignment and Assumption is otherwise duly completed and in proper form, and each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee.

(vi) The words "execution", "signed", "signature" and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as applicable, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar State laws based on the Uniform Electronic Transactions Act.

(c) Participations. Any Lender may, without the consent of the Borrower, the Administrative Agent, the Swingline Lender or any Issuing Bank, sell participations to one or more Eligible Assignees (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitments and Loans of any Class); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (D) the Participant will under no circumstances (x) be subrogated to, or substituted in respect of, the Lender's claims under this Agreement and (y) have otherwise any contractual relationship with, or rights against, the Borrower under or in relation to this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the

sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clause (i), (ii), (iii), (vi) or (vii) in the first proviso to Section 9.02(b) that affects such Participant or requires the approval of all the Lenders. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood and agreed that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment and delegation pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under this Agreement or any other Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Certain Pledges. Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (other than to a natural person) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other "central" bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Purchasing Borrower Parties. Notwithstanding anything else to the contrary contained in this Agreement (including, without limitation, the definition of "Eligible Assignee"), any Lender may assign and delegate all or a portion of its Term Loans to any Purchasing Borrower Party (x) through open market purchases made by such Purchasing Borrower Party on a non-pro rata basis (subject to clause (v) below) or (y) otherwise in accordance with clauses (i) through (vii) below (which assignment and delegation, in the case of the foregoing clauses (x) and (y) will not constitute a prepayment of Loans for any purposes of this Agreement and the other Loan Documents); provided that, in the case of assignments and delegations made pursuant to the foregoing clause (y):

(i) no Default or Event of Default has occurred and is continuing or would result therefrom;

(ii) each Auction Purchase Offer shall be conducted in accordance with the procedures, terms and conditions set forth in this paragraph and the Auction Procedures;

(iii) the assigning Lender and Purchasing Borrower Party purchasing such Lender's Term Loans, as applicable, shall execute and deliver to the Administrative Agent an Affiliated Lender Assignment and Assumption in lieu of an Assignment and Assumption;

(iv) for the avoidance of doubt, the Lenders shall not be permitted to assign or delegate Revolving Commitments or Revolving Exposure to a Purchasing Borrower Party;

(v) to the extent permitted by applicable law, any Term Loans assigned and delegated to any Purchasing Borrower Party shall be automatically and permanently cancelled upon the effectiveness of such assignment and delegation and will thereafter no longer be outstanding for any purpose hereunder (it being understood and agreed that (A) except as expressly set forth in any such definition, any gains or losses by any Purchasing Borrower Party upon purchase or acquisition and cancellation of such Term Loans shall not be taken into account in the calculation of Excess Cash Flow, Consolidated Net Income and Consolidated EBITDA and (B) any purchase of Term Loans pursuant to this paragraph (e) shall not constitute a voluntary prepayment of Term Loans for purposes of this Agreement);

(vi) the Purchasing Borrower Party shall either (A) not have any MNPI that has not been disclosed to the assigning Lender (other than any such Lender that does not wish to receive MNPI) on or prior to the date of any initiation of an Auction by such Purchasing Borrower Party or (B) advise the assigning Lender that it cannot make the statement in the foregoing clause (A), except to the extent that such Lender has entered into a customary "big boy" letter with the Borrower; and

(vii) no Purchasing Borrower Party may use the proceeds from Revolving Loans to purchase any Term Loans.

(f) Disqualified Institutions. The Administrative Agent (i) shall have no obligation with respect to, and shall bear no responsibility or liability for, the ascertaining, monitoring, inquiring or enforcing of the list of Persons who are Disqualified Institutions (or any provisions relating thereto) at any time, and shall have no liability with respect to or arising out of any assignment or participation of any Loans to any Disqualified Institution and (ii) may share a list of Persons who are Disqualified Institutions with any Lender, Participant, or any prospective assignee or Participant, upon request. Notwithstanding anything to the contrary set forth in this Agreement, if the Borrower consents in writing to an Assignment and Assumption to any Person or to otherwise permit any Person to become a Lender or Participant hereunder, such Person shall not be considered a Disqualified Institution, whether or not they would otherwise be considered a Disqualified Institution pursuant to this Agreement.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in this Agreement and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Arrangers, any Issuing Bank, any Lender or any Affiliate of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time this Agreement or any other Loan Document is executed and delivered or any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any LC Exposure is outstanding and so long as the Commitments have not expired or terminated. Notwithstanding the foregoing or anything else to the contrary set forth in this Agreement or any other Loan Document, in the event that, in connection with the refinancing or repayment in full of the credit facilities provided for herein, an Issuing Bank shall have provided to the Administrative Agent a written consent to the release of the Revolving Lenders from their obligations hereunder with respect to any Letter of Credit issued by such Issuing Bank (whether as a result of the obligations of the Borrower (and any other account party) in respect of such Letter of Credit having been collateralized in full by a deposit of cash with such Issuing Bank, or being supported by a letter of credit that names such Issuing Bank as the beneficiary thereunder, or otherwise), then from and after such time such Letter of Credit shall cease to be a "Letter of Credit" outstanding

hereunder for all purposes of this Agreement and the other Loan Documents, and the Revolving Lenders shall be deemed to have no participations in such Letter of Credit, and no obligations with respect thereto, under Section 2.05(d) or 2.05(e). The provisions of Sections 2.15, 2.16, 2.17, 2.18 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment or prepayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of the Loans and Commitments constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or other electronic imaging shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) The words “execution”, “signed”, “signature”, “delivery” and words of like import in or relating to any document to be signed in connection with this Agreement or any other Loan Document and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar State laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent. Without limiting the generality of the foregoing, each party hereto hereby (i) agrees that, for all purposes, including in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Loan Parties, electronic images of this Agreement or any other Loan Documents (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each Issuing Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other amounts at any time held and other obligations (in whatever currency) at any time owing by such Lender or such Issuing Bank to or for the credit or the account of the Borrower against any of and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender or such Issuing Bank, irrespective of whether or not such Lender or such Issuing Bank shall have made any demand under this Agreement and although such obligations of the Borrower are owed to a branch or office of such Lender or such Issuing Bank different from the branch or office holding such deposit or obligated on such Indebtedness. Each Lender and each Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application under this Section. The rights of each Lender and each Issuing Bank under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or such Issuing Bank may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) The Borrower irrevocably and unconditionally agrees that it will not, and will not permit any controlled Subsidiary to, commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, any Issuing Bank or any Related Party of any of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of such courts and agrees that all claims in respect of any action, litigation or proceeding shall be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each party hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any

other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Lender or any Issuing Bank may otherwise have to bring any action, litigation or proceeding relating to this Agreement or any other Loan Document against any Loan Party or any of its properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action, litigation or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Lenders and the Issuing Banks agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Related Parties, including accountants, legal counsel and other agents and advisors, it being understood and agreed that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential and any failure of such Persons acting on behalf of the Administrative Agent, any Issuing Bank or the relevant Lender to comply with this Section 9.12 shall constitute

a breach of this Section 9.12 by the Administrative Agent, such Issuing Bank or the relevant Lender, as applicable, (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority or central bank, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (provided, that to the extent practicable and permitted by law, the Borrower has been notified prior to such disclosure so that the Borrower may seek, at the Borrower's sole expense, a protective order or other appropriate remedy), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, provided that each Lender and the Administrative Agent shall use commercially reasonable efforts to ensure that such Information is kept confidential in connection with the exercise of such remedies, (f) subject to an agreement containing confidentiality undertakings substantially similar to those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its Related Parties) to any Hedging Agreement relating to the Borrower or any Subsidiary and its obligations hereunder or under any other Loan Document, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower, (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any Issuing Bank or any Affiliate of any of the foregoing on a non-confidential basis from a source other than the Borrower, any Subsidiary or any of their respective Affiliates, which source is not known by the recipient of such information to be subject to a confidentiality obligation or (j) to any credit insurance provider relating to the Borrower or its Obligations. For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or their businesses, other than any such information that is available to the Administrative Agent, any Lender or any Issuing Bank on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or participation in any LC Disbursement, together with all fees, charges and other amounts that are treated as interest on such Loan or LC Disbursement or participation therein under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender or Issuing Bank holding such Loan or LC Disbursement or participation therein in accordance with

applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or LC Disbursement or participation therein but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender or Issuing Bank in respect of other Loans or LC Disbursements or participation therein or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender or Issuing Bank.

SECTION 9.14. Release of Liens and Guarantees. Subject to the reinstatement provisions set forth in any applicable Security Document, a Loan Party shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Security Documents in Collateral owned by such Loan Party shall be automatically released, upon the consummation of any transaction permitted by this Agreement as a result of which such Loan Party ceases to be a Restricted Subsidiary or becomes an Excluded Subsidiary; provided that (a) all Indebtedness, Liens and Investments of such Subsidiary, and all Investments by the Borrower and the Restricted Subsidiaries in such Subsidiary, in each case, at such time, shall comply with the provisions of Article VI after giving effect to such Restricted Subsidiary ceasing to be a Loan Party, in each case as though incurred or made at such time and (b) the Borrower shall have delivered an officer's certificate certifying as to the foregoing; provided further that, if so required by this Agreement, the Required Lenders (or if applicable, the Lenders) shall have consented to such transaction and the terms of such consent shall not have provided otherwise. Upon any sale, transfer or other disposition by any Loan Party (other than to the Borrower or any other Loan Party) of any Collateral in a transaction permitted under this Agreement (including such sale, transfer or other disposition under or in connection with Permitted Receivables Facilities), or upon the effectiveness of any written consent to the release of the security interest created under any Security Document in any Collateral pursuant to Section 9.02, the security interests in such Collateral created by the Security Documents shall be automatically released. Upon the release of any Loan Party from its Guarantee in compliance with this Agreement, the security interest in any Collateral owned by such Loan Party created by the Security Documents shall be automatically released. Upon the designation of a Restricted Subsidiary as an Unrestricted Subsidiary in compliance with this Agreement, the security interest created by the Security Documents in the Equity Interests of such Unrestricted Subsidiary shall be automatically released. On the date on which all (1) Obligations have been paid in full in cash (other than (w) Secured Hedging Obligations not yet due and payable, (x) Secured Cash Management Obligations not yet due and payable and (y) contingent indemnification obligations not yet accrued and payable) and (2) all Letters of Credit have expired or been terminated (other than Letters of Credit that have been cash collateralized or backstopped in an amount, by an institution and otherwise pursuant to arrangements reasonably satisfactory to the applicable Issuing Bank), all obligations under the Loan Documents and all security interests under the Security Documents shall be automatically released. In connection with any termination or release pursuant to this Section 9.14 or in connection with any Collateral becoming

Excluded Property, the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to file or register in any office, or to evidence, such termination or release, or, in the case of Collateral becoming Excluded Property, to effect, to file or register in any office, or to evidence the release of any security interest created by the Security Documents in such assets. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent. Each of the Secured Parties irrevocably authorizes the Administrative Agent, at its option and in its discretion, to effect the releases set forth in this Section.

SECTION 9.15. USA PATRIOT Act Notice. Each Lender, each Issuing Bank and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that, pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender, such Issuing Bank or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA PATRIOT Act, and each Loan Party agrees to provide such information from time to time to such Lender, such Issuing Bank and the Administrative Agent, as applicable.

SECTION 9.16. No Fiduciary Relationship. The Borrower, on behalf of itself and its subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrower, the Subsidiaries and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks or their respective Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Administrative Agent, the Arrangers, the Lenders, the Issuing Banks and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower, the Subsidiaries and their respective Affiliates, and none of the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks or any of their respective Affiliates has any obligation to disclose any of such interests to the Borrower, the Subsidiaries or any of their respective Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it or any of its Affiliates may have against the Administrative Agent, the Arrangers, the Lenders, the Issuing Banks or any of their respective Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.17. Non-Public Information. (a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by the Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to the Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, State and foreign securities laws, and (ii) it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including Federal, State and foreign securities laws.

(b) The Borrower and each Lender acknowledge that, if information furnished by the Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative Agent through the Platform, (i) the Administrative Agent may post any information that the Borrower has indicated as containing MNPI solely on that portion of the Platform as is designated for Lenders' employees and representatives willing to receive such MNPI (such employees and representatives, "Private-Siders"); and (ii) if the Borrower has not indicated whether any information furnished by it pursuant to or in connection with this Agreement contains MNPI, the Administrative Agent reserves the right to post such information solely on that portion of the Platform as is designated for Private-Siders. The Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of the Borrower that is suitable to be made available to Lenders' public-side employees and representatives who do not wish to receive MNPI (such employees and representatives, "Public-Siders"), and the Administrative Agent shall be entitled to rely on any such designation by the Borrower without liability or responsibility for the independent verification thereof.

SECTION 9.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

SECTION 9.19. Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agree, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable law).

SECTION 9.20. Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent and such Lender.

SECTION 9.21. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedging Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Signature Pages Follow]

ZIMVIE INC.,
as Borrower,
by

/s/ Richard Heppenstall

Name: Richard Heppenstall
Title: Executive Vice President and Chief Financial Officer

[*Signature Page to Credit Agreement]*

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and individually as
Lender and Issuing Bank,
by

/s/ Maurice Dattas

Name: Maurice Dattas
Title: Vice President

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution:

By MUFG Bank, Ltd.

/s/ Kevin Wood

Name: Kevin Wood
Title: Director

[Signature Page to ZimVie Inc. Credit Agreement]

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution: BANK OF AMERICA, N.A.

By: /s/ Darren Merten
Name: Darren Merten
Title: Director

[Signature Page to ZimVie Inc. Credit Agreement]

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution: DNB Capital LLC

By: /s/ Bret Douglas
Name: Bret Douglas
Title: Senior Vice President

For any Lender requiring a second signature line:

By: /s/ Dania Hinedi
Name: Dania Hinedi
Title: Senior Vice President

[Signature Page to ZimVie Inc. Credit Agreement]

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution: MIZUHO BANK, LTD

By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Executive Director

For any Lender requiring a second signature line:

By _____
Name:
Title:

[Signature Page to ZimVie Inc. Credit Agreement]

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution: Citibank, N.A.

By: /s/ Todd Kostelnik
Name: Todd Kostelnik
Title: Senior Vice President

[Signature Page to ZimVie Inc. Credit Agreement]

GOLDMAN SACHS BANK USA, as
a Lender
by

/s/ William E. Briggs IV
Name: William E. Briggs IV
Title: Authorized Signatory

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution: HSBC BANK USA, N.A

By: /s/ Jason A. Huck
Name: Jason A. Huck
Title: Senior Vice President 21701
Commercial Banking
HSBCBank USA N.A.

[Signature Page to ZimVie Inc. Credit Agreement]

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Gail Motonaga
Name: Gail Motonaga
Title: Executive Director

For any Lender requiring a second signature line:

By _____
Name:
Title:

[Signature Page to ZimVie Inc. Credit Agreement]

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution: BNP PARIBAS

By: /s/ John T. Bosco
Name: John T. Bosco
Title: Managing Director

By: /s/ Michael Pearce
Name: Michael Pearce
Title: Managing Director

LENDER SIGNATURE PAGE TO
ZIMVIE CREDIT AGREEMENT

Name of Institution: The Toronto-Dominion Bank, New York Branch

By: /s/ Brian MacFarlane
Name: Brian MacFarlane
Title: Authorized Signatory

[Signature Page to ZimVie Inc. Credit Agreement]

Exhibit 99.1

[●], 2022

Dear Zimmer Biomet Stockholder:

We previously announced plans to separate our spine and dental businesses from our core orthopedic businesses. The separation will occur by means of a spin-off of a newly formed company named ZimVie Inc. ("ZimVie"), which will own the assets and liabilities associated with our spine and dental businesses. Zimmer Biomet Holdings, Inc. ("Zimmer Biomet"), the existing publicly traded company in which you currently own common stock, will continue to own and operate our core orthopedic businesses in knees; hips; sports medicine, extremities and trauma; and craniomaxillofacial and thoracic. The separation will create two companies with proven long-term strategies, scale and financial strength that will be leaders in their industries. The Zimmer Biomet board of directors believes that separating the spine and dental businesses from the remaining businesses of Zimmer Biomet is in the best interests of Zimmer Biomet and its stockholders for a number of reasons, including that:

- The separation will create a stronger growth profile for each company with enhanced management focus, while better aligning resources and processes more directly with the strategic priorities of each business.
- The separation will create independent companies with separate capital structures, which will align capital allocation based on the objectives of each independent company.
- The separation will reduce complexity and improve operating efficiencies, which will provide each company with greater flexibility to pursue its own strategies for growth, both organic and through acquisitions.
- The separation will provide each company with a compelling financial profile that more accurately reflects the strengths and opportunities of each business and, as a result, offers investors a more targeted investment opportunity.

The separation will provide Zimmer Biomet stockholders with equity ownership in both Zimmer Biomet and ZimVie. The separation is intended to qualify as generally tax-free to Zimmer Biomet stockholders for U.S. federal income tax purposes, except for any cash received by stockholders in lieu of fractional shares. You should consult your own tax advisor as to the particular consequences of the distribution to you, including the applicability and effect of any U.S. federal, state and local and non-U.S. tax laws.

The separation will be effected by means of a *pro rata* distribution of approximately 80.3 percent of the outstanding shares of ZimVie common stock to holders of Zimmer Biomet common stock. Following the distribution, ZimVie will be a separate public company. We currently anticipate that each Zimmer Biomet stockholder will receive one share of ZimVie common stock for every ten shares of Zimmer Biomet common stock held at the close of business on **[●]**, 2022, the record date for the distribution. No vote of Zimmer Biomet stockholders is required for the distribution. You do not need to take any action to receive the shares of ZimVie common stock to which you are entitled as a Zimmer Biomet stockholder. You will not be required to make any payments or to surrender or exchange your shares of Zimmer Biomet common stock.

ZimVie has applied to list its shares of common stock on the Nasdaq Stock Market ("Nasdaq") under the symbol "ZIMV." Following the distribution, shares of Zimmer Biomet common stock will continue to trade on the NYSE and the SIX Swiss Exchange under the symbol "ZBH."

I encourage you to read the attached information statement, which is being provided to all Zimmer Biomet stockholders who held shares on the record date for the distribution. The information statement describes the separation in detail and contains important business and financial information about ZimVie.

We believe the separation provides tremendous opportunities for our businesses as we work to continue to build long-term value. We appreciate your continuing support of Zimmer Biomet and look forward to your future support of ZimVie.

Sincerely,

Bryan Hanson
Chairman, President and Chief Executive Officer
Zimmer Biomet

[●], 2022

Dear Future ZimVie Inc. Stockholder:

It is a pleasure to welcome you as a future stockholder of our new company, ZimVie Inc. ("ZimVie," "we," "us," "our" or the "Company"). We are excited about the bright future ahead for our new independent company following the close of the spin-off transaction. We remain proud of our history and origin within Zimmer Biomet Holdings, Inc., and our leadership team is highly motivated to continue the legacy of developing technologies designed to help healthcare providers improve outcomes for patients around the world.

As a leading healthcare technology company, we develop, manufacture and market a comprehensive portfolio of products and solutions designed to treat a wide range of spine pathologies and support dental tooth replacement and restoration procedures. Our comprehensive spine portfolio includes implants, instrumentation, biologics and bone healing technologies that are utilized during open and minimally invasive surgical procedures for the cervical, thoracic and lumbar spine in hospitals and surgery centers. In the dental products market, we design, manufacture and distribute a comprehensive portfolio of dental implant solutions, biomaterials and digital dentistry solutions.

As an independent company, we will prioritize the strategic and operational plans that are of greatest value to the Company and our stockholders, establish the optimal level of investment in research and development projects and ultimately, create the most appropriate capital structure for ZimVie. We believe this will improve our ability to invest in our business to drive long-term growth, to continue to develop innovative technologies and to pursue strategic transactions that will deliver value to patients, our customers and our investors.

We have applied to list the shares of ZimVie common stock on the Nasdaq Stock Market under the symbol "ZIMV."

I personally invite you to learn more about ZimVie and our strategic initiatives by reading the attached information statement. We are eager to continue to develop healthcare technologies that will improve the outcomes of procedures for spine and dental patients. I look forward to our future as an independent company and to your support as a stockholder of ZimVie.

Sincerely,

Vafa Jamali
President and Chief Executive Officer
ZimVie Inc.

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Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended.

PRELIMINARY AND SUBJECT TO COMPLETION, DATED FEBRUARY 1, 2022

INFORMATION STATEMENT

ZimVie Inc.

This information statement is being furnished in connection with the distribution by Zimmer Biomet Holdings, Inc. ("Zimmer Biomet") to its stockholders of shares of common stock of ZimVie Inc., a Delaware corporation ("ZimVie," "we," "us," "our" or the "Company"), currently a direct, wholly owned subsidiary of Zimmer Biomet, that will hold directly or indirectly the assets and liabilities associated with the spine and dental businesses. Zimmer Biomet will distribute approximately 80.3 percent of the outstanding shares of ZimVie common stock on a *pro rata* basis to Zimmer Biomet stockholders in a transaction intended to qualify as generally tax-free to Zimmer Biomet stockholders for U.S. federal income tax purposes, except with respect to any cash received in lieu of fractional shares. Following the distribution, we will be a separate public company. Immediately after the distribution becomes effective, Zimmer Biomet will own approximately 19.7 percent of the outstanding shares of ZimVie common stock. Prior to completing the separation, Zimmer Biomet may adjust the percentage of ZimVie common stock to be distributed to Zimmer Biomet stockholders and retained by Zimmer Biomet in response to market and other factors. The distribution is subject to certain conditions, as described in this information statement. You should consult your tax advisor as to the particular consequences of the distribution to you, including the applicability and effect of any U.S. federal, state and local and non-U.S. tax laws.

We currently anticipate that for every ten shares of Zimmer Biomet common stock held of record by you as of the close of business on **[●]**, 2022, the record date for the distribution, you will receive one share of ZimVie common stock. You will receive cash in lieu of any fractional shares of ZimVie common stock that you would have received after application of the above ratio. As discussed under "The Separation and Distribution—Trading Between the Record Date and Distribution Date," if you sell your shares of Zimmer Biomet common stock in the "regular-way" market after the record date and before the distribution, you also will be selling your right to receive shares of ZimVie common stock in the distribution. We expect the shares of ZimVie common stock to be distributed by Zimmer Biomet to you at 12:01 a.m., Eastern Time, on **[●]**, 2022. We refer to the date of the distribution of the shares of ZimVie common stock as the "distribution date."

No vote of Zimmer Biomet stockholders is required for the distribution. Therefore, you are not being asked for a proxy, and you are requested not to send Zimmer Biomet a proxy, in connection with the distribution. You do not need to pay any consideration or exchange or surrender your existing shares of Zimmer Biomet common stock or take any other action to receive your shares of ZimVie common stock.

There is no current trading market for ZimVie common stock, although we expect that a limited market, commonly known as a "when-issued" trading market, will develop on or about the record date for the distribution, and we expect "regular-way" trading of ZimVie common stock to begin on or about the first trading day following the completion of the distribution. We have applied to list the shares of ZimVie common stock on the Nasdaq Stock Market ("Nasdaq") under the symbol "ZIMV." Zimmer Biomet common shares will continue to trade on the NYSE and the SIX Swiss Exchange under the symbol "ZBH."

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 19.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is [●], 2022.

This information statement was first made available to Zimmer Biomet stockholders on or about **[●]**, 2022.

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Presentation of Information

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement about ZimVie assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution. Unless the context otherwise requires, references in this information statement to "ZimVie," "we," "us," "our" or the "Company" refer to ZimVie Inc., a Delaware corporation, and its combined subsidiaries. References in this information statement to "Zimmer Biomet" or "Parent" refer to Zimmer Biomet Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries (other than, after the distribution, ZimVie and its consolidated subsidiaries), unless the context otherwise requires. References to our historical business and operations refer to the business and operations of Zimmer Biomet's spine and dental businesses that will be transferred to ZimVie in connection with the separation and distribution. References in this information statement to the "separation" refer to the separation of the spine and dental businesses from Zimmer Biomet's other businesses and the creation, as a result of the distribution, of an independent, publicly traded company, ZimVie, to hold the assets and liabilities associated with the spine and dental businesses after the distribution. References in this information statement to the "distribution" refer to the distribution of approximately 80.3 percent of the shares of ZimVie common stock to Zimmer Biomet stockholders as of the close of business on the record date for the distribution on a *pro rata* basis.

Market, Industry and Other Data

Unless otherwise indicated, information contained in this information statement concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from third-party sources, our own analysis of data received from these third-party sources, our own internal data, market research that we commission and management estimates. Our

management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. Assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause future performance to differ materially from our assumptions and estimates. For additional information, see the section entitled "Cautionary Statement Concerning Forward-Looking Statements."

Trademarks and Trade Names

The name and mark, ZimVie Inc., and other trademarks, trade names and service marks of ZimVie appearing in this information statement are our property or, as applicable, licensed to us, or, as applicable, are the property of Zimmer Biomet. The name and mark, Zimmer Biomet, and other trademarks, trade names and service marks of Zimmer Biomet appearing in this information statement are the property of Zimmer Biomet. This information statement also contains additional trade names, trademarks and service marks belonging to other companies. We do not intend our use or display of other parties' trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBUTION

What is ZimVie, and why is Zimmer Biomet separating its spine and dental businesses and distributing ZimVie stock?	ZimVie, which is currently a direct, wholly owned subsidiary of Zimmer Biomet, was formed to own and operate Zimmer Biomet's spine and dental businesses. The separation of the spine and dental businesses from Zimmer Biomet and the distribution of ZimVie common stock are intended to provide you with equity ownership in two separate publicly traded companies that will be able to focus exclusively on each of their respective businesses. Zimmer Biomet and ZimVie expect that the separation will result in enhanced long-term performance of each business for the reasons discussed in the section entitled "The Separation and Distribution—Reasons for the Separation."
Why am I receiving this document?	Zimmer Biomet is delivering this document to you because you are a holder of Zimmer Biomet common stock. If you are a holder of Zimmer Biomet common stock as of the close of business on the record date for the distribution, we currently anticipate that you will be entitled to receive one share of ZimVie common stock for every ten shares of Zimmer Biomet common stock that you held as of the close of business on such date. This document will help you understand how the separation and distribution will affect your post-separation ownership in Zimmer Biomet and ZimVie, respectively.
How will the separation of the spine and dental businesses from Zimmer Biomet work?	Zimmer Biomet will distribute approximately 80.3 percent of the outstanding shares of ZimVie common stock to Zimmer Biomet stockholders on a *pro rata* basis in a distribution intended to be generally tax-free to Zimmer Biomet stockholders for U.S. federal income tax purposes, except for cash received in lieu of fractional shares. As a result of the distribution, ZimVie will become a separate public company. The number of shares of Zimmer Biomet common stock you own will not change as a result of the separation and distribution. For a more thorough description of how the distribution of the shares of ZimVie common stock will be effected, see the section entitled "The Separation and Distribution—When and How You Will Receive the Distribution."
What is the record date for the distribution?	The record date for the distribution will be **[●]**, 2022.
When will the distribution occur?	It is expected that approximately 80.3 percent of the outstanding shares of ZimVie common stock will be distributed by Zimmer Biomet at 12:01 a.m., Eastern Time, on **[●]**, 2022, to holders of record of Zimmer Biomet common stock as of the close of business on the record date for the distribution. However, no assurance can be provided as to the timing of the distribution or that all conditions to the distribution will be met.
What do stockholders need to do to participate in the distribution?	Stockholders of Zimmer Biomet as of the close of business on the record date for the distribution will not be required to take any action to receive shares of ZimVie common stock in the distribution, but you are urged to read this entire information statement carefully. No stockholder approval of the distribution is required. You are not being asked for a proxy. You

	do not need to pay any consideration, exchange or surrender your existing shares of Zimmer Biomet common stock or take any other action to receive your shares of ZimVie common stock. Please do not send in your Zimmer Biomet stock certificates. The distribution will not affect the number of outstanding shares of Zimmer Biomet common stock or any rights of Zimmer Biomet stockholders, although it will affect the market value of each outstanding share of Zimmer Biomet common stock. For additional information on how the market value of each outstanding share of Zimmer Biomet common stock will change, see the section entitled "The Separation and Distribution—Market for ZimVie Common Stock."
How will shares of ZimVie common stock be issued?	You will receive shares of ZimVie common stock through the same or substantially similar channels that you currently use to hold or trade Zimmer Biomet common stock, whether through a brokerage account, 401(k) plan or other channel. Receipt of our shares will be documented for you in the same manner that you typically receive stockholder updates, such as monthly broker statements. If you own shares of Zimmer Biomet common stock as of the close of business on the record date for the distribution, Zimmer Biomet, with the assistance of Computershare Trust Company, N.A. ("Computershare"), the distribution agent for the distribution, will electronically distribute shares of ZimVie common stock to you or to your broker, bank or other nominee on your behalf in book-entry form. Computershare will mail you a book-entry account statement that reflects your shares of ZimVie common stock, or your broker, bank or other nominee will credit your account for the shares. For more details on how shares of ZimVie common stock will be issued, see the section entitled "The Separation and Distribution—When and How You Will Receive the Distribution."
How many shares of ZimVie common stock will I receive in the distribution?	We currently anticipate that Zimmer Biomet will distribute to you one share of ZimVie common stock for every ten shares of Zimmer Biomet common stock held by you as of close of business on the record date for the distribution. Based on approximately 209.2 million shares of Zimmer Biomet common stock outstanding as of February 1, 2022, and assuming, for illustrative purposes, a distribution of approximately 80.3% of the outstanding shares of ZimVie common stock and applying the distribution ratio (without accounting for cash to be issued in lieu of fractional shares), ZimVie expects that a total of approximately 20.92 million shares of ZimVie common stock will be distributed to Zimmer Biomet's stockholders and approximately 5.13 million shares of ZimVie common stock will continue to be owned by Zimmer Biomet. For additional information on the distribution, see the section entitled "The Separation and Distribution."
Will ZimVie issue fractional shares of its common stock in the distribution?	No. We will not issue fractional shares of ZimVie common stock in the distribution. Fractional shares that Zimmer Biomet stockholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The aggregate net cash proceeds of these sales will be distributed *pro rata* (based on the fractional share such holder would otherwise be entitled to receive) to those stockholders

	who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the payment made in lieu of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient stockholders for U.S. federal income tax purposes as described in the section entitled "Material U.S. Federal Income Tax Consequences."
What are the conditions to the distribution?	The distribution is subject to final approval by the Zimmer Biomet board of directors, as well as to the satisfaction (or waiver by Zimmer Biomet in its sole and absolute discretion) of the following conditions: • the transfer of assets and liabilities from Zimmer Biomet to us shall be completed in accordance with the separation and distribution agreement that Zimmer Biomet and we will enter into prior to the distribution; • Zimmer Biomet shall have received a private letter ruling from the Internal Revenue Service (the "IRS"), satisfactory to the Zimmer Biomet board of directors, regarding certain U.S. federal income tax matters relating to the separation and distribution, and such private letter ruling remains in force; • Zimmer Biomet shall have received an opinion from White & Case LLP satisfactory to the Zimmer Biomet board of directors, regarding certain U.S. federal income tax matters relating to the separation and distribution; • a cash distribution of approximately $501 million (the "Cash Distribution") from ZimVie to Zimmer Biomet shall have been made as partial consideration for the contribution of assets in connection with the separation; • the U.S. Securities and Exchange Commission (the "SEC") shall have declared effective our registration statement of which this information statement forms a part, no order suspending the effectiveness thereof shall be in effect, no proceedings for such purposes shall have been instituted or threatened by the SEC, and this information statement shall have been made available to Zimmer Biomet stockholders; • all actions and filings necessary or advisable under applicable U.S. federal, U.S. state or other securities laws or blue sky laws shall have been taken or made and, where applicable, have become effective or been accepted by the applicable governmental authority; • the Zimmer Biomet board of directors shall have declared the distribution and approved all related transactions (and such declaration or approval shall not have been withdrawn); • any required governmental approvals necessary to consummate the distribution and the transactions contemplated by the separation agreement and the ancillary agreements shall have been obtained and be in full force and effect;

	• the transaction agreements relating to the separation that Zimmer Biomet and we will enter into prior to the distribution shall have been duly executed and delivered by the parties; • no order, injunction or decree issued by any court or governmental authority of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the separation, distribution or any of the related transactions, shall be pending or in effect; • the shares of ZimVie common stock to be distributed shall have been accepted for listing on Nasdaq, subject to official notice of distribution; and • no other event or development shall exist or have occurred that, in the judgment of Zimmer Biomet's board of directors, in its sole and absolute discretion, makes it inadvisable to effect the separation, distribution and other related transactions. Neither we nor Zimmer Biomet can assure you that any or all of these conditions will be met. In addition, Zimmer Biomet can decline at any time to go forward with the separation and distribution. For a complete discussion of all of the conditions to the distribution, see the section entitled "The Separation and Distribution—Conditions to the Distribution."
Can Zimmer Biomet decide to cancel the distribution of ZimVie common stock even if all the conditions have been met?	Yes. The distribution is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see the section entitled "The Separation and Distribution—Conditions to the Distribution." Until the distribution has occurred, Zimmer Biomet has the right to terminate the distribution, even if all of the conditions are satisfied.
What if I want to sell my Zimmer Biomet common stock or my ZimVie common stock?	You are encouraged to consult with your financial advisor, such as your broker, bank or tax advisor, regarding the specific implications of selling your Zimmer Biomet common stock prior to or on the distribution date. If you sell your shares of Zimmer Biomet common stock in the "regular-way" market after the record date and prior to or on the distribution date, you will also be selling your right to receive shares of ZimVie common stock in the distribution. For a more thorough discussion on how to sell your shares, see the section entitled "The Separation and Distribution—Trading Between the Record Date and Distribution Date."
What is "regular-way" and "ex-distribution" trading of Zimmer Biomet common stock?	Beginning on or shortly before the record date for the distribution and continuing up to and through the distribution date, it is expected that there will be two markets in Zimmer Biomet common stock: a "regular-way" market and an "ex-distribution" market. Zimmer Biomet common stock that trades in the "regular-way" market will trade with an entitlement to shares of ZimVie common stock distributed pursuant to the distribution. Shares that trade in the "ex-distribution" market will

	trade without an entitlement to shares of ZimVie common stock distributed pursuant to the distribution. If you hold shares of Zimmer Biomet common stock on the record date and then decide to sell any Zimmer Biomet common stock before the distribution date, you should make sure your broker, bank or other nominee understands whether you want to sell your Zimmer Biomet common stock with or without your entitlement to ZimVie common stock pursuant to the distribution. For additional information regarding the trading of ZimVie common stock, see the section entitled "The Separation and Distribution—Trading Between the Record Date and Distribution Date."
Where will I be able to trade shares of ZimVie common stock?	We have applied to list the shares of ZimVie common stock on Nasdaq under the symbol "ZIMV." We anticipate that trading in shares of ZimVie common stock will begin on a "when-issued" basis on or shortly before the record date for the distribution, and will continue up to the distribution date and that "regular-way" trading in ZimVie common stock will begin on or about the first trading day following the completion of the distribution. If trading begins on a "when-issued" basis, you may purchase or sell shares of ZimVie common stock up to and through the distribution date, but your transaction will not settle until after the distribution date. For additional information regarding the trading of ZimVie common stock, see the section entitled "The Separation and Distribution—Trading Between the Record Date and Distribution Date." We cannot predict the trading prices for our common stock before, on or after the distribution date.
What will happen to the listing of Zimmer Biomet common stock?	Zimmer Biomet common stock will continue to trade on the NYSE and the SIX Swiss Exchange under the symbol "ZBH."
Will the number of shares of Zimmer Biomet common stock that I own change as a result of the distribution?	No. The number of shares of Zimmer Biomet common stock that you own will not change as a result of the distribution.
Will the distribution affect the market price of my shares of Zimmer Biomet common stock?	Yes. As a result of the distribution, Zimmer Biomet expects the trading price of Zimmer Biomet common stock immediately following the distribution to be lower than the "regular-way" trading price of such stock immediately prior to the distribution because the trading price will no longer reflect the value of the spine and dental businesses. There can be no assurance that the aggregate market value of shares of Zimmer Biomet common stock and ZimVie common stock following the distribution will be higher or lower than the market value of shares of Zimmer Biomet common stock if the separation and distribution did not occur. This means, for example, that the combined trading prices of one share of Zimmer Biomet common stock and one-tenth of a share of ZimVie common stock after the distribution (representing the number of shares of our common stock to be received per every share of Zimmer Biomet common stock in the distribution) may be equal to, greater than or less than the trading price of one share of Zimmer Biomet common stock before the distribution. For additional information on how the

	market price of the outstanding shares of Zimmer Biomet common stock will change, see the section entitled "The Separation and Distribution—Market for ZimVie Common Stock."
What are the material U.S. federal income tax consequences of the separation and distribution?	It is a condition to the distribution that the private letter ruling from the IRS regarding certain U.S. federal income tax matters relating to the separation and distribution received by Zimmer Biomet remain valid and be satisfactory to the Zimmer Biomet board of directors and that the Zimmer Biomet board of directors receive one or more opinions from its tax advisors, in each case satisfactory to the Zimmer Biomet board of directors, regarding certain U.S. federal income tax matters relating to the separation and distribution. Accordingly, it is expected that Zimmer Biomet stockholders generally will not recognize any gain or loss upon receipt of ZimVie common stock pursuant to the distribution, except with respect to any cash received in lieu of fractional shares. You should carefully read the section entitled "Material U.S. Federal Income Tax Consequences" and should consult your own tax advisor about the particular consequences of the distribution to you, including the application of U.S. federal, state and local and non-U.S. tax laws.
What will happen to my tax basis in my Zimmer Biomet stock?	If you do not sell your Zimmer Biomet stock in advance of the distribution, your tax basis will be adjusted and the aggregate tax basis of the Zimmer Biomet common stock and ZimVie common stock received in the distribution (including any fractional share interest in ZimVie common stock for which cash is received) will equal the aggregate tax basis of Zimmer Biomet common stock immediately prior to the distribution, allocated between the Zimmer Biomet common stock and ZimVie common stock (including any fractional share interest in ZimVie common stock for which cash is received) in proportion to the relative fair market value of each on the date of the distribution. You should carefully read the section entitled "Material U.S. Federal Income Tax Consequences" and should consult your own tax advisor about the particular consequences of the distribution to you, including the application of U.S. federal, state and local and non-U.S. tax laws.
What will ZimVie's relationship be with Zimmer Biomet following the separation and distribution?	Following the distribution, Zimmer Biomet stockholders will directly own approximately 80.3 percent of the outstanding shares of ZimVie common stock, and Zimmer Biomet and ZimVie will be separate companies with separate management teams and separate boards of directors. Zimmer Biomet will retain approximately 19.7 percent of the outstanding shares of ZimVie common stock following the distribution. Prior to the distribution, we will enter into a separation and distribution agreement with Zimmer Biomet to effect the separation and distribution and provide a framework for our relationship with Zimmer Biomet after the separation and will enter into certain other agreements, such as a transition services agreement, a tax matters agreement, an employee matters agreement, an intellectual property matters agreement, a transitional trademark license agreement, a transition manufacturing and supply agreement, a reverse transition manufacturing and supply agreement and a stockholder and registration rights agreement with

	respect to Zimmer Biomet's continuing ownership of shares of ZimVie common stock. These agreements will provide for the separation between Zimmer Biomet and us of the assets, employees, intellectual property, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) of Zimmer Biomet and its subsidiaries attributable to periods prior to, at and after our separation from Zimmer Biomet and will govern the relationship between Zimmer Biomet and us subsequent to the completion of the separation. For additional information regarding the separation and distribution agreement and other transaction agreements between Zimmer Biomet and us, see the sections entitled "Risk Factors—Risks Related to the Separation and the Distribution" and "Certain Relationships and Related Person Transactions."
How will Zimmer Biomet vote any shares of ZimVie common stock it retains?	Zimmer Biomet will agree to vote any shares of ZimVie common stock that it retains in proportion to the votes cast by our other stockholders and grant us a proxy to vote its shares of ZimVie common stock in such proportion. For additional information on these voting arrangements, see "Certain Relationships and Related Person Transactions—Stockholder and Registration Rights Agreement."
What does Zimmer Biomet intend to do with any shares of ZimVie common stock it retains?	Zimmer Biomet currently intends to dispose of all of the ZimVie common stock that it retains after the distribution by exchanging such ZimVie common stock for Zimmer Biomet debt held by one or more investment banks. To the extent Zimmer Biomet holds any ZimVie common stock thereafter, Zimmer Biomet will dispose of such stock as soon as disposition is warranted (but in no event later than five years after the distribution), consistent with its business purpose of creating independent companies with separate capital structures, in which Zimmer Biomet continues to target leverage consistent with its investment grade credit rating (as explained below). For additional information on Zimmer Biomet's plans for the disposition of shares of ZimVie common stock it retains, please read the section entitled "The Separation and Distribution—Reasons for Zimmer Biomet's Retention of Approximately 19.7 Percent of ZimVie Common Stock."
Who will manage ZimVie after the separation?	We have assembled a management team of highly experienced leaders who have a strong track record in the medical device industry, led by Vafa Jamali, President and Chief Executive Officer, Richard Heppenstall, Executive Vice President, Chief Financial Officer and Treasurer, Rebecca Whitney, Senior Vice President and President, Global Spine, and Indraneel Kanaglekar, Senior Vice President and President, Global Dental. Our management team is highly focused on execution and driving growth and profitability. Further, we believe that we have a deep pool of talent across our organization, including long-tenured individuals with significant expertise and knowledge of our business. For additional information regarding our management, see the section entitled "Management."

Are there risks associated with owning ZimVie common stock?	Yes. Ownership of ZimVie common stock is subject to both general and specific risks relating to our businesses, the industries in which we operate, our ongoing contractual relationships with Zimmer Biomet and our status as a separate, publicly traded company. Ownership of ZimVie common stock is also subject to risks relating to the separation and the distribution. These risks are described in the "Risk Factors" section of this information statement beginning on page 19. You are encouraged to read that section carefully.
Does ZimVie plan to pay dividends?	We currently expect to retain all available funds and any future earnings for use in the operation and expansion of our business. The declaration and payment of any dividends in the future will be subject to the sole discretion of our board of directors and will depend on many factors. For additional information, see the section entitled "Dividend Policy."
Will ZimVie incur any indebtedness prior to or at the time of the distribution?	Yes. ZimVie expects to incur new third-party borrowings of approximately $561 million in connection with the distribution, with approximately $501 million of the proceeds of such financing expected to be used to distribute cash to Zimmer Biomet (subject to adjustment based upon estimated cash and working capital). In addition, we expect to enter into a $175 million revolving credit facility, which we expect to be undrawn immediately following the distribution. As a result of such transactions, ZimVie anticipates having approximately $561 million of outstanding indebtedness upon completion of the distribution. For additional information on this indebtedness, see the sections entitled "Description of Material Indebtedness" and "Risk Factors—Risks Related to Our Business, Operations and Strategy."
Who will be the distribution agent, transfer agent and registrar for shares of ZimVie common stock?	The distribution agent for the distribution and the transfer agent and registrar for shares of ZimVie common stock will be Computershare. For questions relating to the transfer or mechanics of the stock distribution, you should contact: Computershare Trust Company, N.A. P.O. Box 505000 Louisville, KY 40233-5000 United States 888-552-8493
Where can I find more information about Zimmer Biomet and ZimVie?	Before the distribution, if you have any questions relating to Zimmer Biomet's business performance, you should contact: Zimmer Biomet Holdings, Inc. 345 East Main Street Warsaw, Indiana 46580 Attention: Keri Mattox, Senior Vice President, Investor Relations and Chief Communications Officer

After the distribution, our stockholders who have any questions relating to our business performance should contact us at:

ZimVie Inc.
10225 Westmoor Drive
Westminster, Colorado 80021
Attention: Investor Relations

ZimVie's investor relations website (investor.zimvie.com) will be operational on or around **[●]**, 2022. **The ZimVie website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to the SEC.**

INFORMATION STATEMENT SUMMARY

The following is a summary of selected information discussed in this information statement. This summary may not contain all of the details concerning the separation or other information that may be important to you. To better understand the separation and our business and financial position, you should carefully review this entire information statement. Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement about ZimVie Inc. assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution. Unless the context otherwise requires, references in this information statement to "ZimVie," "we," "us," "our" or the "Company" refer to ZimVie Inc., a Delaware corporation, and its combined subsidiaries. References in this information statement to "Zimmer Biomet" or "Parent" refer to Zimmer Biomet Holdings, Inc., a Delaware corporation, and its consolidated subsidiaries (other than, after the distribution, ZimVie and its consolidated subsidiaries), unless the context otherwise requires. References to our historical business and operations refer to the business and operations of Zimmer Biomet's spine and dental businesses that will be transferred to us in connection with the separation and distribution. References in this information statement to the "separation" refer to the separation of the spine and dental businesses from Zimmer Biomet's other businesses and the creation, as a result of the distribution, of an independent, publicly traded company, ZimVie, to hold the assets and liabilities associated with the spine and dental businesses after the distribution. References in this information statement to the "distribution" refer to the distribution of approximately 80.3 percent of the shares of ZimVie common stock to Zimmer Biomet stockholders on a pro rata basis.

Business Overview

We are a leading medical technology company dedicated to enhancing the quality of life for spine and dental patients worldwide. We develop, manufacture, and market a comprehensive portfolio of products and solutions designed to treat a wide range of spine pathologies and support dental tooth replacement and restoration procedures. Our broad portfolio addresses all areas of spine with market leadership in cervical disc replacement ("CDR"), and we are well-positioned in the growing global dental implant and biomaterials market, with market leadership in oral reconstruction. In 2020, we generated total third party net sales of $897 million.

Our Company was built through the acquisition and integration of over a dozen leading spine and dental businesses and brands over the course of more than 30 years. ZimVie today is the result of the combination of Zimmer, Inc.'s ("Zimmer") and Biomet Inc.'s ("Biomet") spine and dental portfolios in 2015, and the subsequent development of new products and technologies, as well as business development activities. As a result of our rich history and comprehensive portfolio, we are well-positioned to expand our presence in the spine surgery and tooth replacement markets we serve.

We estimate the global spine surgery market generated approximately $12 billion in sales in 2021. Within spine surgery, we believe that minimally invasive surgery ("MIS") and motion preservation solutions represent the highest growth market category. We estimate the global tooth replacement market generated approximately $8 billion in sales in 2021. Within tooth replacement, we expect the value implants, biomaterials and digital dentistry categories to grow faster than the overall market.

We have leading positions in a number of attractive submarkets of the broader global markets for spine and dental we serve. Our established commercial infrastructure and large sales force support our meaningful presence in both established and emerging markets and serve customers in 70 countries.

Our operations are principally managed in two product markets, spine and dental:

Spine

In the spine products market, we design, manufacture and distribute a full suite of spinal surgery solutions to treat patients with back or neck pain caused by degenerative conditions, deformities, tumors or traumatic injury of the spine. Our comprehensive portfolio includes implants, instrumentation, biologics and bone healing technologies. We also offer differentiated, motion preserving products in our spine portfolio, including Mobi-C® Cervical Disc and The Tether™ device. Our products and services are utilized in hospitals and surgery centers for open and minimally invasive surgical procedures for the cervical, thoracic and lumbar spine. Our global net sales from our spine business was $529 million for the fiscal year ended December 31, 2020, as compared to $608 million for the fiscal year ended December 31, 2019.

Dental

In the dental products market, we design, manufacture and distribute a comprehensive portfolio of dental implant solutions, biomaterials and digital dentistry solutions. Dental implants are intended for patients who are totally without teeth or are missing one or more teeth. Our products and solutions are utilized in oral surgery centers, dental service organizations ("DSOs") and dental offices by oral surgeons and dental clinicians to provide patients with a more natural restoration to resemble the original teeth. We also service the clinician community by offering a variety of solutions to the dental laboratories they partner with. Our implant portfolio is complemented by our robust line of biomaterial solutions that are used for soft tissue and bone rehabilitation, and can help patients qualify for dental implant surgery by building sufficient bone utilizing bone grafting techniques and lead to improved esthetic outcomes. Digital dentistry is a growing category of the dental market and we offer a full suite of digital dentistry technologies that are designed to work together with our dental implant systems to deliver fully integrated, end-to-end implant-based tooth replacement solutions for oral surgeons, dental clinicians and dental laboratories. Our global net sales from our dental business was $368 million, for the fiscal year ended December 31, 2020, as compared to $414 million for the fiscal year ended December 31, 2019.

Our Competitive Strengths

We believe we have significant competitive strengths, including:

- *Comprehensive portfolio of brands trusted by surgeons and clinicians worldwide.*
- *Well-positioned in attractive, growing spine and dental submarkets.*
- *Compelling body of clinical evidence.*
- *Established commercial infrastructure with global reach.*
- *Track record of successful innovation, tuck-in acquisitions and strategic partnerships.*
- *Experienced management team with deep industry expertise.*

Although we believe these strengths will contribute to the growth and success of our company, our business is subject to risks including, among others, our substantial indebtedness, which will divert funds that could otherwise be used for investment in our business, our lack of experience operating as an independent public company, and the potential impact of adverse changes in governmental regulations or the markets for our products or the materials we use in our business. See "— Summary of Risk Factors" below for a further description of these risks.

Our Growth Strategies

We intend to pursue the following strategies in order to improve our competitive position and grow our business:

- *Leverage our biomaterials and digital dentistry platforms coupled with implant innovation to further advance our dental business.*
- *Drive surgeon and clinician awareness of and proficiency in using our products and solutions through medical education.*
- *Employ a disciplined approach to improving profitability and cash flow*.
- *Selectively pursue strategic acquisitions and alliances in attractive, high growth market segments*.

Summary of Risk Factors

An investment in our Company is subject to a number of risks, including risks relating to our business, the separation and distribution and ZimVie common stock. Set forth below is a high-level summary of some, but not all, of these risks. Please read the information in the section captioned "Risk Factors" beginning on page 19 for a more thorough description of these and other risks.

Risks Related to Our Business, Operations and Strategy

- The COVID-19 pandemic has adversely impacted, and continues to pose risks to, our business, results of operations and financial condition, the nature and extent of which are highly uncertain and unpredictable.
- Interruption of our manufacturing operations or supply arrangements could adversely affect our business, financial condition and results of operations.
- Our success depends on our ability to effectively develop and market our products against those of our competitors, retain our employees and the independent agents and distributors who market our products, and introduce new products.
- We are subject to potential declines in reimbursement levels and cost-containment measures in the United States and other countries, resulting in pricing pressures.
- Our success largely depends on key personnel, including our senior management, and having adequate succession plans in place. We may not be able to attract, retain and develop the highly skilled employees we need to support our business, which could harm our business.

Financial, Liquidity and Tax Risks

- In connection with our separation from Zimmer Biomet, we will incur substantial indebtedness and we and our subsidiaries may not be able to generate sufficient cash flows to meet all of our debt obligations, which could materially adversely affect our business, financial condition and results of operations.
- We may have additional tax liabilities, and potential changes in tax laws could unfavorably impact our effective tax rate.
- Future material impairments in the carrying value of our intangible assets, including goodwill, would negatively affect our operating results.
- If our independent agents and distributors are characterized as employees, we would be subject to additional tax and other liabilities.

Global Operational Risks

- We conduct a significant amount of our sales activity outside of the United States, which subjects us to additional business risks such as global economic conditions and currency exchange rate fluctuations, and may cause our profitability to decline due to increased costs.

Legal, Regulatory and Compliance Risks

- If we fail to obtain, or experience significant delays in obtaining, U.S. Food and Drug Administration ("FDA") clearances or approvals for our future products or product enhancements, our ability to commercially distribute and market our products could suffer.
- We are subject to costly and complex laws and governmental regulations relating to the development, design, product standards, packaging, advertising, promotion, post-market surveillance, manufacturing, labeling and marketing of our products, non-compliance with which could adversely affect our business, financial condition and results of operations.
- If we fail to comply with healthcare fraud and abuse, anticorruption, data privacy and security, and environmental laws and regulations, we could face substantial penalties and our business, operations and financial condition could be adversely affected.
- We are increasingly dependent on sophisticated information technology and if we fail to effectively maintain or protect our information systems or data, including from data breaches, our business could be adversely affected.
- Pending and future product liability claims and litigation could adversely impact our financial condition and results of operations and impair our reputation, and we bear the risk of warranty claims on our products.
- The industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, which could adversely affect our business, results of operations and financial condition.
- We are substantially dependent on patent and other proprietary rights, and we are involved in legal proceedings that may result in adverse outcomes.

Risks Related to the Separation and Distribution

- We have no history of operating as an independent, public company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.
- If the distribution, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, we, Zimmer Biomet, and Zimmer Biomet stockholders could be subject to significant tax liabilities and, in certain circumstances, we could be required to indemnify Zimmer Biomet for material taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement, and U.S. federal income tax consequences may restrict our ability to engage in certain desirable strategic or capital-raising transactions after the separation.
- If the consents or approvals needed for the transfer to us from Zimmer Biomet of certain assets and rights are not obtained, we may not be entitled to the benefit of such assets and rights, which could increase our expenses or otherwise harm our business and financial performance.
- We may not achieve some or all of the expected benefits of the separation, and the separation may materially and adversely affect our financial condition, results of operations and cash flows.

- Zimmer Biomet or we may fail to perform under various transaction agreements that will be executed as part of the separation, or we may fail to have necessary systems and services in place when certain of the transaction agreements expire.
- Following the distribution, certain members of management, directors and stockholders will hold stock in both Zimmer Biomet and our Company, and as a result, may face actual or potential conflicts of interest.
- In connection with our separation from Zimmer Biomet, Zimmer Biomet will indemnify us for certain liabilities and we will indemnify Zimmer Biomet for certain liabilities. If we are required to pay under these indemnities to Zimmer Biomet, our financial results could be negatively impacted. The Zimmer Biomet indemnity may not be sufficient to hold us harmless from the full amount of liabilities for which Zimmer Biomet will be allocated responsibility, and Zimmer Biomet may not be able to satisfy its indemnification obligations in the future.
- The allocation of intellectual property rights among us and Zimmer Biomet as part of the separation could adversely impact our competitive position and our ability to develop and commercialize certain future products and services.
- Potential liabilities may arise due to fraudulent transfer considerations, which would adversely affect our financial condition and results of operations.

Risks Related to ZimVie Common Stock

- We cannot be certain that an active trading market for our shares of common stock will develop or be sustained after the distribution, and following the distribution, our stock price may fluctuate significantly, including due to unfavorable analyst coverage or ineffective internal controls.
- We do not expect to pay any cash dividends for the foreseeable future.
- There may be substantial changes in our stockholder base, your percentage of ownership in our Company may be diluted in the future and a significant number of our shares of common stock are or will be eligible for future sale.
- Our certificate of incorporation will designate a state or federal court located in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings and anti-takeover provisions in our certificate of incorporation and bylaws and of Delaware law could enable our board of directors to resist a takeover attempt by a third party and limit the power of our stockholders.

The Separation and Distribution

On February 5, 2021, Zimmer Biomet announced its intention to separate its spine and dental businesses from its core orthopedic businesses. The separation will occur by means of *pro rata* distribution to Zimmer Biomet stockholders of approximately 80.3 percent of the outstanding shares of common stock of ZimVie, which was formed to hold Zimmer Biomet's spine and dental businesses. Zimmer Biomet has received a private letter ruling from the IRS regarding certain U.S. federal income tax matters related to the separation and the distribution.

Following the distribution, Zimmer Biomet stockholders will own directly approximately 80.3 percent of the outstanding shares of ZimVie common stock, and ZimVie will be a separate public company from Zimmer Biomet. Zimmer Biomet will retain approximately 19.7 percent of the outstanding shares of ZimVie common stock following the distribution. Zimmer Biomet currently intends to dispose of all of the ZimVie common stock that it retains after the distribution by exchanging such ZimVie common stock for Zimmer Biomet debt held by one or more investment banks. To the extent Zimmer Biomet holds any ZimVie common stock thereafter,

Zimmer Biomet will dispose of such stock as soon as disposition is warranted (but in no event later than five years after the distribution), consistent with its business purpose of creating independent companies with separate capital structures and maintaining its investment grade credit rating (as explained below).

On **[●]**, 2022, the Zimmer Biomet board of directors approved the distribution of ZimVie's issued and outstanding shares of common stock, subject to the satisfaction or waiver of the conditions to the distribution as described in this information statement. For a more detailed description of these conditions, see the section entitled "The Separation and Distribution—Conditions to the Distribution."

Capital Structure

In connection with the spin-off, ZimVie expects to incur new third-party borrowings of approximately $561 million. Approximately $501 million of the proceeds from such indebtedness (subject to adjustment based upon estimated cash and working capital) will be transferred to Zimmer Biomet on or prior to the distribution. We currently expect to incur this indebtedness through $561 million of Term Loan A borrowings. In addition, our new credit facility includes a $175 million revolving credit facility, which we expect to be undrawn immediately following the distribution. For more information on ZimVie's anticipated capital structure and the indebtedness we expect to incur in connection with the spin-off, see "Unaudited Pro Forma Condensed Combined Financial Statements" and "Description of Material Indebtedness."

Our Post-Separation Relationship with Zimmer Biomet

After the distribution, Zimmer Biomet and ZimVie will be separate companies with separate management teams and separate boards of directors. Prior to the distribution, we will enter into a separation and distribution agreement with Zimmer Biomet, which is referred to in this information statement as the "separation agreement" or the "separation and distribution agreement." In connection with the separation, we will also enter into various other agreements to effect the separation and provide a framework for our relationship with Zimmer Biomet after the separation, such as a transition services agreement, a tax matters agreement, an employee matters agreement, an intellectual property matters agreement, a transitional trademark license agreement, a transition manufacturing and supply agreement, a reverse transition manufacturing and supply agreement and a stockholder and registration rights agreement with respect to Zimmer Biomet's continuing ownership of ZimVie common stock. These agreements will provide for the allocation between ZimVie and Zimmer Biomet of Zimmer Biomet's assets, employees, intellectual property, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after the distribution, and will govern certain relationships between ZimVie and Zimmer Biomet after the distribution.

For additional information regarding the separation agreement and other transaction agreements and the transactions contemplated thereby, see the sections entitled "Risk Factors—Risks Related to the Separation and Distribution," "The Separation and Distribution" and "Certain Relationships and Related Person Transactions."

Reasons for the Separation

The Zimmer Biomet board of directors believes that separating the spine and dental businesses from the remaining businesses of Zimmer Biomet is in the best interests of Zimmer Biomet and its stockholders for a number of reasons, including that:

- The separation will create a stronger growth profile for each company with enhanced management focus, while better aligning resources and processes more directly with the strategic priorities of each business.

- The separation will create independent companies with separate capital structures, which will align capital allocation based on the objectives of each independent company.
- The separation will reduce complexity and improve operating efficiencies, which will provide each company with greater flexibility to pursue its own strategies for growth, both organic and through acquisitions.
- The separation will provide each company with a compelling financial profile that more accurately reflects the strengths and opportunities of each business and, as a result, offers investors a more targeted investment opportunity.

The Zimmer Biomet board of directors also considered a number of potentially unfavorable factors in evaluating the separation, including, among others, risks relating to the creation of a new public company, possible increased costs and one-time separation costs, but concluded that the potential benefits of the separation significantly outweighed these factors. For additional information, see the sections entitled “Risk Factors” and “The Separation and Distribution—Reasons for the Separation” included elsewhere in this information statement.

Reasons for Zimmer Biomet’s Retention of Approximately 19.7 Percent of ZimVie Common Stock

In considering the appropriate structure for the separation, Zimmer Biomet determined that, immediately after the distribution becomes effective, Zimmer Biomet will own approximately 19.7 percent of the outstanding shares of ZimVie common stock. The retention of ZimVie common stock strengthens Zimmer Biomet’s balance sheet by providing Zimmer Biomet a security that can be exchanged to accelerate debt reduction, thereby facilitating an appropriate capital structure consistent with maintaining Zimmer Biomet’s investment grade rating, which is critical to Zimmer Biomet having the financial flexibility necessary to execute its growth strategy and fund capital expenditures. Zimmer Biomet currently intends to dispose of all of the ZimVie common stock that it retains after the distribution by exchanging such ZimVie common stock for Zimmer Biomet debt held by one or more investment banks. To the extent Zimmer Biomet holds any ZimVie common stock thereafter, Zimmer Biomet will dispose of such stock as soon as disposition is warranted (but in no event later than five years after the distribution), consistent with its business purpose of creating independent companies with separate capital structures and maintaining its investment grade credit rating. Following such debt-for-equity exchange, it is anticipated that the investment banks will sell such shares to public investors in a pre-marketed equity offering. We anticipate that ZimVie would benefit from increased equity research coverage in connection with such an offering.

Corporate Information

ZimVie was formed as a Delaware corporation on July 30, 2021 for the purpose of holding Zimmer Biomet’s spine and dental businesses. Prior to the separation, which will be completed prior to the distribution, we will have no material operations. The address of our principal executive offices is 10225 Westmoor Drive, Westminster, CO 80021. Our telephone number after the distribution will be (303)-443-7500. We maintain an Internet site at *www.zimvie.com*. **Our website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.**

Reason for Furnishing This Information Statement

This information statement is being furnished solely to provide information to stockholders of Zimmer Biomet who will receive shares of ZimVie common stock in the distribution. It is not, and is not to be construed as, an

inducement or encouragement to buy or sell any of our securities. We believe the information contained in this information statement to be accurate as of the date set forth on the cover of this information statement. Changes may occur after that date, and neither we nor Zimmer Biomet undertake any obligation to update such information except in the normal course of our respective disclosure obligations and practices, or as required by applicable law.

SUMMARY HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following summary historical financial information has been derived from the combined financial statements of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc. as of and for the three years ended December 31, 2020, 2019 and 2018 and for the nine months ended September 30, 2021 and 2020, which are included in the "Index to Combined Financial Statements" section of this information statement. The summary unaudited *pro forma* combined financial information as of and for the nine months ended September 30, 2021 and the year ended December 31, 2020 have been prepared to reflect the separation and distribution, including the incurrence of indebtedness of approximately $561 million and the distribution of approximately $504 million of cash to Zimmer Biomet (reflecting the distribution of approximately $501 million from the financing proceeds as described in, and containing certain of the adjustments referenced in, this information statement). The outstanding indebtedness is expected to consist of $561 million of Term Loan A borrowings, as described in "Description of Material Indebtedness." The unaudited *pro forma* combined operating data presented for the nine months ended September 30, 2021 and the year ended December 31, 2020 assumes the separation occurred on January 1, 2020. The unaudited *pro forma* combined balance sheet data as of September 30, 2021 assumes the separation occurred on September 30, 2021.

The summary historical financial information presented below should be read in conjunction with the Unaudited Interim Condensed Combined Financial Statements, the Audited Annual Combined Financial Statements and accompanying notes, and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in the information statement.

The unaudited *pro forma* combined financial information is for illustrative and informational purposes only and is not intended to represent or be indicative of what our financial condition or results of operations would have been had we operated historically as a company independent of Zimmer Biomet or if the separation and the distribution had occurred on the dates indicated. The unaudited *pro forma* combined financial information also should not be considered representative of our future combined financial condition or combined results of operations.

You should read this summary unaudited *pro forma* combined financial information together with "Unaudited Pro Forma Combined Financial Information," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Material Indebtedness," the Unaudited Interim Condensed Combined Financial Statements and the Audited Annual Combined Financial Statements and accompanying notes included elsewhere in the information statement.

	For the Nine Months Ended September 30,			For the Years Ended December 31,			
($ in millions)	Pro Forma 2021	2021	2020	Pro Forma 2020	2020	2019	2018
Combined Statement of Earnings Data:							
Net Sales							
Third party, net	$748.6	$748.2	$ 625.2	$ 897.5	$ 896.9	$1,021.6	$1,044.9
Related party, net	4.4	4.8	12.3	14.9	15.5	33.9	54.2
Total Net Sales	753.0	753.0	637.5	912.4	912.4	1,055.5	1,099.1
Cost of products sold, excluding intangible asset amortization	258.3	256.4	212.6	305.5	302.7	309.4	345.5
Related party cost of products sold, excluding intangible asset amortization	3.4	3.5	8.2	10.0	10.2	24.5	37.2
Intangible asset amortization	65.0	65.0	63.4	85.5	85.5	83.4	95.2
Research and development	43.9	43.9	36.1	49.2	49.2	55.6	52.3
Selling, general and administrative	402.4	405.1	391.2	530.3	533.5	605.4	599.9
Goodwill impairment	—	—	142.0	142.0	142.0	—	411.7
Restructuring	2.3	2.3	9.5	9.7	9.7	1.8	—
Acquisitions, integration, divestiture and related	12.0	12.0	1.7	2.2	2.2	3.2	30.8
Operating expenses	787.3	788.2	864.7	1,134.4	1,135.0	1,083.3	1,572.6
Operating Loss	(34.3)	(35.2)	(227.2)	(222.0)	(222.6)	(27.8)	(473.5)
Other income (expense), net	(0.4)	(0.4)	0.9	1.6	1.6	0.2	(0.6)
Interest expense, net	(9.6)	(0.3)	(0.2)	(13.1)	(0.3)	(0.1)	(0.1)
Loss before income taxes	(44.3)	(35.9)	(226.5)	(233.5)	(221.3)	(27.7)	(474.2)
(Benefit) provision for income taxes	(3.2)	(1.3)	(11.0)	(45.2)	(42.3)	0.2	(14.8)
Net Loss	(41.1)	(34.6)	(215.5)	(188.3)	(179.0)	(27.9)	(459.4)
Less: Net earnings attributable to noncontrolling interest	—	—	0.1	0.1	0.1	0.1	1.0
Net Loss of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$ (41.1)	$ (34.6)	$(215.6)	$ (188.4)	$ (179.1)	$ (28.0)	$ (460.4)

	As of September 30,	
($ in millions)	Pro Forma 2021	2021
Combined Balance Sheet Data:		
Total Assets	$ 1,830.2	$1,808.9
Long-term debt	$ 555.4	$ 4.9

RISK FACTORS

You should carefully consider the following risks and other information in this information statement in evaluating our Company and ZimVie common stock. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. The risk factors generally have been separated into six groups: risks related to our business, operations and strategy; financial, credit and liquidity risks; global operational risks; legal, regulatory and compliance risks; risks related to the separation and the distribution; and risks related to ZimVie common stock.

Risks Related to Our Business, Operations and Strategy

The COVID-19 pandemic has adversely impacted, and continues to pose risks to, our business, results of operations and financial condition, the nature and extent of which are highly uncertain and unpredictable.

Our global operations expose us to risks associated with public health crises and outbreaks of epidemic, pandemic, or contagious diseases, such as COVID-19. The global spread of COVID-19 has had, and we expect it to continue to have, an adverse impact on demand for our products, our sales, our operations, our supply chains and distribution systems, and our expenses, including as a result of preventive and precautionary measures that we, other businesses, and governments have taken and may continue to take. Due to these impacts and measures, we have experienced and expect to continue to experience significant and unpredictable reductions in the demand for our products as healthcare customers divert medical resources and priorities towards the treatment of COVID-19. During 2020, we experienced a significant decline in procedure volumes globally as healthcare systems diverted resources to meet the increasing demands of managing COVID-19, and that decline has continued. Additionally, public health bodies around the globe have at times recommended delaying elective procedures during the COVID-19 pandemic, and patients, spine surgeons, oral surgeons, dentists, dental clinicians and medical societies are evaluating the risks of elective procedures in the presence of infectious diseases, which we expect will continue to negatively impact demand for our products and the number of procedures performed.

As a result of the COVID-19 outbreak, we have experienced significant business disruptions, including restrictions on our ability to travel and to distribute our products, temporary closures of, or limited operations at, certain of our facilities and the facilities of our suppliers and contract manufacturers, as well as reduction in access to our customers due to diverted resources and priorities and the business hours of hospitals as governments institute prolonged shelter-in-place and/or self-quarantine mandates. The unprecedented measures to slow the spread of the virus taken by local governments and healthcare authorities globally, including the deferral of elective surgical procedures and social distancing measures, have had, and we expect them to continue to have, a significant adverse effect on our financial condition, results of operations and cash flows. These disruptions have resulted in the following outcomes, among other unfavorable outcomes:

- lower revenues, profits and cash flows compared to historic trends;
- charges for credit losses as a result of being unable to collect on our accounts receivable;
- additional charges from operating our manufacturing facilities at less than normal capacity;
- goodwill impairment charges; and
- delays in certain strategic projects and investments, which will delay or may eliminate the effectiveness of these strategic initiatives.

If preventative and precautionary measures and/or the distribution of vaccines do not curb the spread of COVID-19, our financial condition, results of operations and cash flows may continue to be adversely affected. Prolonged disruptions that cause deferral of elective surgical procedures may result in the following, among other potential negative outcomes:

- net losses and negative operating cash flows;

- excess inventory we cannot sell, which would result in increased inventory charges;
- our customers returning inventory to us, which would result in a reduction to our net sales;
- additional charges from operating our manufacturing facilities at less than normal capacity;
- additional goodwill impairment charges;
- failing to satisfy the covenants in any future credit facilities, which may cause any outstanding amounts to be payable immediately; and
- decreased access to capital to fund our business.

In addition, the COVID-19 pandemic has adversely affected, and we expect it to continue to adversely affect, the economies and financial markets of many countries, which may result in a period of regional, national, and global economic slowdown or regional, national, or global recessions that could further negatively affect demand for our products as hospitals curtail or delay spending and individuals experiencing unemployment and/or a loss of healthcare benefits cancel or delay elective procedures, and could also increase the risk of customer defaults or delays in payments. Our customers may terminate or amend their agreements for the purchase of our products due to bankruptcy, lack of liquidity, lack of funding, operational failures or other reasons. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas, present material uncertainty and risk with respect to our performance, financial condition, volume of business, results of operations and cash flows. Due to the uncertain scope and duration of the pandemic and uncertain timing of global recovery and economic normalization, we are unable to estimate the impacts on our operations and financial results.

Interruption of our manufacturing operations could adversely affect our business, financial condition and results of operations.

We and our third-party manufacturers have manufacturing sites in multiple countries around the world. In some instances, however, the manufacturing of certain of our product lines is concentrated in one or more plants. Damage to one or more of these facilities from weather or natural disaster-related events, vulnerabilities in technology, cyber-attacks against our information systems or the information systems of our business partners (such as ransomware attacks), or issues in manufacturing arising from a failure to follow specific protocols and procedures, compliance concerns relating to the FDA Quality System Regulation (21 CFR Part 820) (“QSR”) and Good Manufacturing Practice requirements, equipment breakdown or malfunction, reductions in operations and/or worker absences due to the COVID-19 pandemic or other health epidemics, or other factors could adversely affect the ability to manufacture our products. In the event of an interruption in manufacturing, we may be unable to move quickly to alternate means of producing affected products or to meet customer demand. In the event of a significant interruption, for example, as a result of a failure to follow regulatory protocols and procedures, we may experience lengthy delays in resuming production of affected products due primarily to the need for regulatory approvals. As a result, we may experience loss of market share, which we may be unable to recapture, and harm to our reputation, which could adversely affect our business, financial condition and results of operations.

Disruptions in the supply of the materials and components used in manufacturing our products or the sterilization of our products by third-party suppliers could adversely affect our business, financial condition and results of operations.

We purchase many of the materials and components used in manufacturing our products from third-party suppliers and we outsource some key manufacturing activities. Certain of these materials and components and outsourced activities can only be obtained from a single source or a limited number of sources due to quality considerations, expertise, costs or constraints resulting from regulatory requirements. In certain cases, we may not be able to establish additional or replacement suppliers for such materials or components or outsourced

activities in a timely or cost effective manner, largely as a result of FDA and other worldwide regulations that require validation of materials and components prior to their use in our products, the complex nature of many of our suppliers' manufacturing processes, and the need for clearance or approval of significant changes by worldwide regulatory bodies prior to implementation. A reduction or interruption in the supply of materials or components used in manufacturing our products, such as due to one or more suppliers experiencing reductions in operations and/or worker absences due to the COVID-19 pandemic or other health epidemics, an inability to timely develop and validate alternative sources if required, or a significant increase in the price of such materials or components could adversely affect our business, financial condition and results of operations.

In addition, many of our products require sterilization prior to sale and we utilize a mix of internal resources and contract sterilizers to perform this service. To the extent we or our contract sterilizers are unable to sterilize our products, whether due to capacity, availability of materials for sterilization, regulatory or other constraints, including federal and state regulations on the use of ethylene oxide, or reductions in operations and/or worker absences due to the COVID-19 pandemic or other health epidemics, we may be unable to transition to other contract sterilizers, sterilizer locations or sterilization methods in a timely or cost effective manner or at all, which could have a material impact on our results of operations and financial condition.

Moreover, we are subject to the SEC's rule regarding disclosure of the use of certain minerals, known as "conflict minerals" (tantalum, tin and tungsten (or their ores) and gold), which are mined from the Democratic Republic of the Congo and adjoining countries. This rule could adversely affect the sourcing, availability and pricing of materials used in the manufacture of our products, which could adversely affect our manufacturing operations and our profitability. In addition, we are incurring additional costs to comply with this rule, including costs related to determining the source of any relevant minerals and metals used in our products. We have a complex supply chain and we may not be able to sufficiently verify the origins of the minerals and metals used in our products through our due diligence procedures. As a result, we may face reputational challenges with our customers and other stakeholders.

Our success depends on our ability to effectively develop and market our products against those of our competitors.

We operate in a highly competitive environment. Our present or future products could be rendered obsolete or uneconomical by technological advances by one or more of our present or future competitors or by other therapies, including biological therapies. To remain competitive, we must continue to develop and acquire new products and technologies and improve existing products and technologies. Competition is primarily on the basis of:

- technology;
- innovation;
- quality;
- reputation;
- customer service; and
- pricing.

In markets outside of the United States, other factors influence competition as well, including:

- local distribution systems;
- complex regulatory environments; and
- differing medical philosophies and product preferences.

Our competitors may:

- have greater financial, marketing and other resources than us;
- respond more quickly to new or emerging technologies;
- undertake more extensive marketing campaigns;
- adopt more aggressive pricing policies; or
- be more successful in attracting potential customers, employees and strategic partners.

Any of these factors, alone or in combination, could cause us to have difficulty maintaining or increasing sales of our products and could materially adversely affect ZimVie's results of operations and financial condition.

To be commercially successful, we must effectively demonstrate to surgeons, dentists and hospitals the value proposition of our products and procedural solutions compared to those of our competitors.

We focus on marketing our products and procedural solutions to surgeons and dentists because of the role that they play in determining the course of patient treatment. However, hospitals are also becoming increasingly involved in the evaluation and acceptance of our products and procedural solutions. Surgeons, dentists and hospitals may not widely adopt our products and procedural solutions unless we are able to effectively educate them as to the distinctive characteristics, perceived benefits, safety and cost-effectiveness of our offerings as compared to those of our competitors. We believe that the most effective way to introduce and build market demand for our products and procedural solutions is by directly training surgeons and dentists in their use. If surgeons and dentists are not properly trained, they may misuse or ineffectively use our products and procedural solutions. This may also result in unsatisfactory patient outcomes, patient injury, negative publicity or lawsuits against us, any of which could have a significant adverse effect on our business, financial condition and results of operations.

Surgeons, dentists and hospitals may be hesitant to use and accept our products and procedural solutions for the following reasons, among others:

- lack of experience with newer less invasive surgical products and procedures;
- lack or perceived lack of evidence supporting additional patient benefits;
- perceived liability risks generally associated with the use of new products and procedures;
- existing relationships with competitors;
- limited or lack of availability of coverage and reimbursement within healthcare payment systems;
- higher pricing associated with new products and procedures;
- increased competition in procedural offerings and solutions;
- lack or perceived lack of differentiation among procedures;
- costs associated with the purchase of new products and equipment; and
- the time commitment that may be required for training.

If we are not able to effectively demonstrate to surgeons, dentists and hospitals the value proposition of our products and procedural solutions, or if surgeons, dentists and hospitals adopt competing products, our sales could significantly decrease or fail to increase, which could adversely impact our profitability and cash flow. In addition, we believe recommendations and support of our offerings by influential surgeons, dentists and other key opinion leaders are essential for market acceptance and adoption. If we are not successful in obtaining such support, surgeons, dentists and hospitals may not use our products and procedural solutions, and we may not achieve expected sales or profitability.

If we fail to retain the employees and the independent agents and distributors upon whom we rely heavily to market our products, customers may not buy our products and our revenue and profitability may decline.

Our marketing success in the United States and abroad depends significantly upon our employees', agents' and distributors' sales and service expertise in the marketplace. Many of these agents have developed professional relationships with existing and potential customers because of the agents' detailed knowledge of products and instruments. A loss of a significant number of our agents could have a material adverse effect on our business and results of operations.

If we do not introduce new products in a timely manner, our products may become obsolete over time, customers may not buy our products and our revenue and profitability may decline.

Demand for our products may change, in certain cases, in ways we may not anticipate because of:

- evolving customer needs;
- changing demographics;
- slowing industry growth rates;
- declines in the spine and dental implant markets;
- the introduction of new products and technologies;
- evolving surgical philosophies; and
- evolving industry standards.

Without the timely introduction of new products and enhancements, our products may become obsolete over time. If that happens, our revenue and operating results would suffer. The success of our new product offerings will depend on several factors, including our ability to:

- properly identify and anticipate customer needs;
- commercialize new products in a timely manner;
- manufacture and deliver instruments and products in sufficient volumes on time;
- differentiate our offerings from competitors' offerings;
- achieve positive clinical outcomes for new products;
- satisfy the increased demands by healthcare payors, providers and patients for shorter hospital stays, faster post-operative recovery and lower-cost procedures;
- innovate and develop new materials, product designs and surgical techniques; and
- provide adequate medical education relating to new products.

In addition, new materials, product designs and surgical techniques that we develop may not be accepted quickly, in some or all markets, because of, among other factors:

- entrenched patterns of clinical practice;
- the need for regulatory clearance; and
- uncertainty with respect to third-party reimbursement.

Moreover, innovations generally require a substantial investment in research and development before we can determine their commercial viability and we may not have the financial resources necessary to fund the production. In addition, even if we are able to successfully develop enhancements or new generations of our

products, these enhancements or new generations of products may not produce revenue in excess of the costs of development and they may be quickly rendered obsolete by changing customer preferences or the introduction by our competitors of products embodying new technologies or features.

If third-party payors decline to reimburse our customers for our products or reduce reimbursement levels, the demand for our products may decline and our ability to sell our products profitably may be harmed.

We sell our products and services to hospitals, surgeons, dentists and other healthcare providers, which may receive reimbursement for the healthcare services provided to their patients from third-party payors, such as domestic and international government programs, private insurance plans and managed care programs. These third-party payors may deny reimbursement if they determine that a product or service used in a procedure was not in accordance with cost-effective treatment methods, as determined by the third-party payor, or was used for an unapproved indication. Third-party payors may also decline to reimburse for experimental procedures and products.

In addition, third-party payors are increasingly attempting to contain healthcare costs by limiting both coverage and the level of reimbursement for medical products and services. If third-party payors reduce reimbursement levels or change reimbursement models for hospitals and other healthcare providers for our products, demand for our products may decline, or we may experience increased pressure to reduce the prices of our products, which could have a material adverse effect on our sales and results of operations.

We have also experienced downward pressure on product pricing and other effects of healthcare reform in our international markets. For example, China has implemented a volume-based procurement process designed to decrease prices for medical devices and other products. If key participants in government healthcare systems reduce the reimbursement levels for our products, including through political changes or transitions, our business, financial condition, results of operations and cash flows may be adversely affected.

We are subject to cost containment measures in the United States and other countries, resulting in pricing pressures.

Initiatives to limit the growth of general healthcare expenses and hospital costs are ongoing in the markets in which we do business. These initiatives are sponsored by government agencies, legislative bodies and the private sector and include price regulation and competitive pricing. For example, China has implemented a volume-based procurement process designed to decrease prices for certain medical devices and other products. Pricing pressure has also increased due to continued consolidation among healthcare providers, trends toward managed care, the shift toward governments becoming the primary payors of healthcare expenses, reductions in reimbursement levels and government laws and regulations relating to reimbursement and pricing generally.

In addition, many customers for our products have formed group purchasing organizations in an effort to contain costs. Group purchasing organizations negotiate pricing arrangements with medical supply manufacturers and distributors, and these negotiated prices are made available to a group purchasing organization’s affiliated hospitals and other members. If we are not one of the providers selected by a group purchasing organization, affiliated hospitals and other members may be less likely to purchase our products, and, if the group purchasing organization has negotiated a strict compliance contract for another manufacturer’s products, we may be precluded from making sales to members of the group purchasing organization for the duration of the contractual arrangement.

Such increased pricing pressure and cost-containment efforts could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our success largely depends on key personnel, including our senior management, and having adequate succession plans in place. We may not be able to attract, retain and develop the highly skilled employees we need to support our business, which could harm our business.

Our future performance depends, in large part, on the continued services of our senior management and other key personnel, including our ability to attract, retain and motivate key personnel. Competition for key personnel in the various localities and business segments in which we operate is intense. Our ability to attract and retain key personnel, in particular senior management, will be dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. There is no guarantee that we will have the continued service of key employees whom we rely upon to execute our business strategy and identify and pursue strategic opportunities and initiatives. The loss of the services of any of our senior management or other key personnel, or our inability to attract highly qualified senior management and other key personnel, could harm our business. In particular, we may have to incur costs to replace senior officers or other key employees who leave, and our ability to execute our business strategy could be impaired if we are unable to replace such persons in a timely manner.

Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. Further, changes in our management team may be disruptive to our business, and any failure to successfully integrate key new hires or promoted employees could adversely affect our business and results of operations.

We may not be able to effectively integrate acquired businesses into our operations or achieve expected cost savings or profitability from our acquisitions.

Our acquisitions involve numerous risks, including:

- unforeseen difficulties in integrating personnel and sales forces, operations, manufacturing, logistics, research and development, information technology, compliance, vendor management, communications, purchasing, accounting, marketing, administration and other systems and processes;
- difficulties harmonizing and optimizing quality systems and operations;
- diversion of financial and management resources from existing operations;
- unforeseen difficulties related to entering geographic regions where we do not have prior experience;
- potential loss of key employees;
- unforeseen risks and liabilities associated with businesses acquired, including any unknown vulnerabilities in acquired technology or compromises of acquired data; and
- inability to generate sufficient revenue or realize sufficient cost savings to offset acquisition or investment costs.

As a result, if we fail to evaluate and execute acquisitions properly, we might not achieve the anticipated benefits of such acquisitions, and we may incur costs in excess of what we anticipate. These risks would likely be greater in the case of larger acquisitions.

Financial, Liquidity and Tax Risks

In connection with our separation from Zimmer Biomet, we will incur substantial indebtedness and we may not be able to generate sufficient cash flows to meet all of our debt obligations, which could materially adversely affect our business, financial condition and results of operations.

We expect to incur new third-party borrowings of approximately $561 million in connection with the distribution, with approximately $501 million of the proceeds of such financing expected to be used to distribute cash to Zimmer Biomet (subject to adjustment based upon estimated cash and working capital). In addition, we

expect to enter into a $175 million revolving credit facility, which we expect to be undrawn immediately following the distribution. As a result of such transactions, we anticipate having approximately $561 million of outstanding indebtedness upon completion of the distribution. For additional information, see the section entitled “Description of Material Indebtedness.” We may also incur additional indebtedness in the future.

This significant amount of debt could potentially have important consequences to us and our debt and equity investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments on this debt following the separation;
- making it more difficult to satisfy debt service and other obligations;
- increasing future debt costs and limiting the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- placing us at a competitive disadvantage relative to our competitors that may not be as highly leveraged with debt; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase shares of our common stock.

To the extent that we incur additional indebtedness, the foregoing risks could increase. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to repay all of the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance our debt.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures, or to dispose of material assets or operations, alter our dividend policy (if we pay dividends), seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The instruments that will govern our indebtedness may restrict our ability to dispose of assets and may restrict the use of proceeds from those dispositions. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, may materially adversely affect our business, financial condition and results of operations and our ability to satisfy our obligations under our indebtedness or pay dividends on our common stock.

Our ability to generate the significant amount of cash needed to pay interest and principal on our new indebtedness and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on the performance of, and distributions from, our subsidiaries.

We are a holding company, and as such have no material operations or assets other than ownership of equity interests in our subsidiaries. We depend on our subsidiaries to distribute funds to us so that we may pay

obligations and expenses, including satisfying obligations with respect to our new proposed indebtedness. Our ability to make scheduled payments on, or to refinance our obligations under, our indebtedness depends on the financial and operating performance of our subsidiaries, and their ability to make distributions and dividends to us, which, in turn, depends on their results of operations, cash flows, cash requirements, financial position and general business conditions and any legal and regulatory restrictions on the payment of dividends to which they may be subject, many of which may be beyond our control. The terms of our indebtedness may restrict the payment of dividends and the ability of subsidiaries to transfer funds to us. If we cannot receive sufficient distributions from our subsidiaries, we may not be able to meet our obligations to fund general corporate expenses or service our debt obligations.

We may have additional tax liabilities.

We are subject to income taxes in the United States and in many foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities. Although we believe our tax estimates are reasonable, the final determination of tax audits and any related litigation could be materially different from our historical income tax provisions and accruals. The results of an audit or litigation could have a material effect on our financial statements in the period or periods for which that determination is made.

Significant developments or uncertainties stemming from the Biden Administration and international organizations and initiatives, including potential changes in tax laws, could unfavorably impact our effective tax rate (and/or the basis on which tax is imposed) in the United States and other jurisdictions.

Pursuant to the tax proposals in the Made in America Tax Plan, American Jobs Plan, and the American Families Plan, the Biden Administration proposed an increase in the U.S. corporate income tax rate from 21% to 28%, elimination of certain tax incentives, increasing the rate of tax on certain earnings of foreign subsidiaries, imposition of an offshoring tax penalty, and a 15% minimum tax on worldwide book income. If any or all of these (or similar) proposals are ultimately enacted into law, in whole or in part, they could have a material adverse impact on our business, financial condition or results of operations.

Changes in the tax laws of the jurisdictions where we do business, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, could result in a material increase in our tax expense. For example, changes in the tax laws of foreign jurisdictions could arise as a result of the “base erosion and profit shifting” project undertaken by the Organization for Economic Co-operation and Development (“OECD”). The OECD, which represents a coalition of member countries, has recommended changes to numerous long-standing tax principles. These changes, as adopted by countries, could increase tax uncertainty and may have a material adverse impact on our business, financial condition or results of operations.

Future material impairments in the carrying value of our intangible assets, including goodwill, would negatively affect our operating results.

Goodwill and intangible assets represent a significant portion of our assets. As of December 31, 2020, we had $273.7 million in goodwill and $891.0 million of intangible assets. The goodwill results from our acquisition activity and represents the excess of the consideration transferred over the fair value of the net assets acquired. Currently, only our dental reporting unit has goodwill. We assess at least annually whether events or changes in circumstances indicate that the carrying value of our intangible assets may not be recoverable. As discussed further in Note 11 to our consolidated financial statements, in the first quarter of 2020, we recorded goodwill impairment charges of $142.0 million as a result of the adverse impacts from the COVID-19 pandemic. If the operating performance at our dental reporting units falls significantly below current levels, including if elective surgical procedures are deferred for a longer period than our current expectations due to the COVID-19 pandemic, if competing or alternative technologies emerge, if market conditions or future cash flow estimates for our dental business decline, or as a result of restructuring initiatives pursuant to which we reorganize our

reporting units, we could be required to record additional impairment charges. Any write-off of a material portion of our goodwill or unamortized intangible assets would negatively affect our results of operations.

If our independent agents and distributors are characterized as employees, we would be subject to additional tax and other liabilities.

We structure our relationships with independent agents and distributors in a manner that we believe results in an independent contractor relationship, not an employee relationship. Although we believe that our independent agents and distributors are properly characterized as independent contractors, tax or other regulatory authorities may in the future challenge our characterization of these relationships. Changes in classification from independent contractor to employee can result in a change to various requirements associated with the payment of wages, tax withholding, and the provision of unemployment, health, and other traditional employer-employee related benefits. If regulatory authorities or state, federal or foreign courts were to determine that our independent agents or distributors are employees, and not independent contractors, we would be required to withhold income taxes, to withhold and pay social security, Medicare and similar taxes and to pay unemployment and other related payroll taxes. We would also be liable for unpaid past taxes and subject to penalties. As a result, any determination that our independent agents and distributors are our employees could have a material adverse effect on our business, financial condition and results of operations.

Global Operational Risks

We conduct a significant amount of our sales activity outside of the United States, which subjects us to additional business risks and may cause our profitability to decline due to increased costs.

We sell our products in 70 countries and derived approximately 30 percent of our net sales in 2020 from outside the United States. We intend to continue to pursue growth opportunities in sales internationally, including in emerging markets, which could expose us to additional risks associated with international sales and operations. Our international operations are, and will continue to be, subject to a number of risks and potential costs, including:

- changes in foreign medical reimbursement policies and programs;
- changes in foreign regulatory requirements, such as more stringent requirements for regulatory clearance of products;
- differing local product preferences and product requirements;
- fluctuations in foreign currency exchange rates;
- diminished protection of intellectual property in some countries outside of the United States;
- trade protection measures, import or export requirements, new or increased tariffs, trade embargoes and sanctions and other trade barriers, which may prevent us from shipping products to a particular market and may increase our operating costs;
- foreign exchange controls that might prevent us from repatriating cash earned in countries outside the United States;
- complex data privacy and cybersecurity requirements and labor relations laws;
- extraterritorial effects of U.S. laws such as the U.S. Foreign Corrupt Practices Act (“FCPA”);
- effects of foreign anti-corruption laws, such as the United Kingdom (“UK”) Bribery Act;
- difficulty in staffing and managing foreign operations;
- labor force instability;

- potentially negative consequences from changes in tax laws; and
- political, social and economic instability and uncertainty, including sovereign debt issues.

Violations of foreign laws or regulations could result in fines, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business and damage to our reputation.

Conditions in the global economy, the particular markets we serve and the financial markets may adversely affect our business, results of operations and financial condition.

Our business is sensitive to general economic conditions. Slower global economic growth, actual or anticipated default on sovereign debt, changes in global trade policies, volatility in the currency and credit markets, high levels of unemployment or underemployment, reduced levels of capital expenditures, changes in government fiscal and monetary policies, government deficit reduction and budget negotiation dynamics, sequestration, other austerity measures, political and social instability, natural disasters, terrorist attacks, and other challenges that affect the global economy adversely affect us and our distributors, customers and suppliers, including having the effect of:

- reducing demand for our products and services, limiting the financing available to our customers and suppliers and increasing order cancellations;
- increasing the difficulty in collecting accounts receivable and the risk of excess and obsolete inventories;
- increasing price competition in our served markets;
- supply interruptions, which could disrupt our ability to produce our products;
- increasing the risk of impairment of goodwill and other long-lived assets, and the risk that we may not be able to fully recover the value of other assets such as real estate and tax assets; and
- increasing the risk that counterparties to our contractual arrangements will become insolvent or otherwise unable to fulfill their contractual obligations which, in addition to increasing the risks identified above, could result in preference actions against us.

In addition, adverse general economic conditions may lead to instability in U.S. and global capital and credit markets, including market disruptions, limited liquidity and interest rate volatility. If we are unable to access capital and credit markets on terms that are acceptable to us or our lenders are unable to provide financing in accordance with their contractual obligations, we may not be able to make certain investments or acquisitions or fully execute our business plans and strategies. Furthermore, our suppliers and customers are also dependent upon the capital and credit markets. Limitations on the ability of customers, suppliers or financial counterparties to access credit at interest rates and on terms that are acceptable to them could lead to insolvencies of key suppliers and customers, limit or prevent customers from obtaining credit to finance purchases of our products and services and cause delays in the delivery of key products from suppliers.

If growth in the global economy or in any of the markets we serve slows for a significant period, if there is significant deterioration in the global economy or such markets, if there is instability in global capital and credit markets, or if improvements in the global economy do not benefit the markets we serve, our business, results of operations and financial condition could be adversely affected.

We are subject to risks arising from currency exchange rate fluctuations, which can increase our costs, cause our profitability to decline and expose us to counterparty risks.

A substantial portion of our foreign revenues is generated in Europe and Japan. The U.S. Dollar value of our foreign-generated revenues varies with currency exchange rate fluctuations. Significant increases in the value of the U.S. Dollar relative to the Euro, the Japanese Yen or other currencies could have a material adverse effect on our results of operations.

Developments relating to the UK and Switzerland that could adversely affect us.

The UK's exit from the EU.

The UK ceased to be a member of the European Union (the "EU") on January 31, 2020, commonly referred to as "Brexit," and entered into a transition period which ended on December 31, 2020 (the "Transition Period"), during which terms for the future trading relationship between the EU and UK were negotiated. On December 30, 2020, the UK and the EU signed the UK-EU Trade and Cooperation Agreement, which applies provisionally (pending ratification by the Council of the European Union) with effect from the end of the Transition Period. As of the end of the Transition Period, the UK and the EU became separate and distinct legal and regulatory jurisdictions.

Brexit has resulted in certain new restrictions on the free movement of goods, services and people between the UK and the EU, through technical barriers to trade, rules of origin requirements, custom inspections, and/or migration restrictions. In terms of medical products regulation and trade, the now separate UK and EU approval and regulatory regimes may, in the near term or over time, require us to make adjustments to our business and operations that could result in significant expense and take significant time to complete. Over time, Brexit could also result in increasing regulatory and/or standards divergence between the UK and the EU, which could affect the clearance and approval of medical products in each or either jurisdiction.

Despite the UK-EU Trade and Cooperation Agreement, Brexit and the perceptions as to its potential impact have adversely affected, and may continue to adversely affect, business activity and economic conditions in the UK, Europe and globally, and could continue to contribute to instability in global financial and foreign exchange markets.

Lack of Switzerland / EU Mutual Recognition Agreement Acknowledgement of EU MDR.

The EU and Switzerland had a mutual recognition agreement ("MRA") specifying that, in respect of Medical Devices, the same rules apply with respect to the EU Medical Device Directive ("MDD"). This implies free market access between EU and Switzerland. As of May 26, 2021, the EU Medical Device Regulation ("EU MDR") became effective. However, this new regulation is not specified in the MRA despite negotiations between EU and Switzerland to amend the MRA. As a revised MRA between the EU and Switzerland is not agreed on and signed, Switzerland became another country, similar to the UK after Brexit, whereby the EU and Switzerland are no longer one market. This is now commonly being referred to as "Swexit."

For access to the EU market, this means that the Swiss-based notified body SQS (NB 1250) is no longer recognized by the EU, European Authorized Representatives cannot be based in Switzerland and Swiss manufacturers need a European Authorized Representative. For access to the Swiss market, this means full implementation of Switzerland's Medical Devices Ordinance, requiring, among other things, a Swiss-based representative, product registration with Swissmedic, and relabeling.

Given these possibilities and others we may not anticipate, as well as the lack of comparable precedent, the full extent to which we will be affected by Brexit and Swexit remains uncertain. Any of the potential negative effects of Brexit and Swexit could adversely affect our business, results of operations and financial condition.

Legal, Regulatory and Compliance Risks

If we fail to obtain, or experience significant delays in obtaining, FDA clearances or approvals for our future products or product enhancements, our ability to commercially distribute and market our products could suffer.

The process of obtaining regulatory clearances or approvals to market a medical device, particularly from the FDA, can be costly and time consuming, and there can be no assurance that such clearances or approvals will be

granted on a timely basis, if at all. In particular, the FDA permits commercial distribution of a new, non-exempt, non-Class I medical device only after the device has received clearance under Section 510(k) of the Federal Food, Drug, and Cosmetic Act ("FDCA"), or receives approval under the premarket approval application ("PMA") process. If clinical trials of our current or future product candidates do not produce results necessary to support regulatory approval, we will be unable to commercialize these products, which could have a material adverse effect on our financial results.

The FDA will clear marketing of a medical device through the 510(k) process if it is demonstrated that the new product is substantially equivalent to other 510(k)-cleared products. The PMA process is more costly, lengthy and uncertain than the 510(k) clearance process. Additionally, any modification to a 510(k)-cleared device that could significantly affect its safety or efficacy, or that would constitute a major change in its intended use, requires a new 510(k) clearance or, possibly, a PMA. The FDA requires each manufacturer to make the determination of whether a modification requires a new 510(k) notification or PMA application in the first instance, but the FDA can review any such decision. If the FDA disagrees with our decisions regarding whether new clearances or approvals are necessary, the FDA may retroactively require us to seek 510(k) clearance or PMA approval. For device modifications that we conclude do not require a new regulatory clearance or approval, we may be required to recall and to stop marketing the modified devices if the FDA or another agency disagrees with our conclusion and requires new clearances or approvals for the modifications. Our failure to comply with such regulations could lead to the imposition of injunctions, suspensions or loss of regulatory approvals, product recalls, termination of distribution, or product seizures. In the most egregious cases, criminal sanctions or closure of our manufacturing facilities are possible.

We are subject to costly and complex laws and governmental regulations relating to the development, design, product standards, packaging, advertising, promotion, post-market surveillance, manufacturing, labeling and marketing of our products, non-compliance with which could adversely affect our business, financial condition and results of operations.

Our global regulatory environment is increasingly stringent, unpredictable and complex. The products we design, develop, manufacture and market are subject to rigorous regulation.

Both before and after a product is commercially released, we have ongoing responsibilities under FDA regulations and other supranational, national, federal, regional, state and local requirements globally. Compliance with these requirements, including the QSR, recordkeeping regulations, labeling and promotional requirements and adverse event reporting regulations, is subject to continual review and is monitored rigorously through periodic inspections by the FDA and other regulators, which may result in observations (such as on Form FDA-483 ("Form 483")), and in some cases warning letters, that require corrective action, or other forms of enforcement. If the FDA or another regulator were to conclude that we are not in compliance with applicable laws or regulations, or that any of our products are ineffective or pose an unreasonable health risk, they could ban such products, detain or seize adulterated or misbranded products, order a recall, repair, replacement, or refund of payment of such products, refuse to grant pending PMA applications, refuse to provide certificates for exports, and/or require us to notify healthcare professionals and others that the products present unreasonable risks of substantial harm to the public health. Furthermore, the FDA strictly regulates the promotional claims that we may make about approved or cleared products. If the FDA determines that we have marketed or promoted a product for off-label use—uses other than those indicated on the labeling cleared by the FDA—we could be subject to fines, injunctions or other penalties. The FDA may also impose operating restrictions, including a ceasing of operations at one or more facilities, enjoin and restrain certain violations of applicable law pertaining to our products, seize products and assess civil or criminal penalties against our officers, employees or us. The FDA could also issue a corporate warning letter or a recidivist warning letter or negotiate the entry of a consent decree of permanent injunction with us, and/or recommend prosecution. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively manufacturing, marketing and selling our products and could have a material adverse effect on our business, financial condition and results of operations.

Governmental regulations outside the United States continue to become increasingly stringent and complex, and our products may become subject to more rigorous regulation by non-U.S. governmental authorities in the future. In the EU, for example, the MDR went into effect in May 2021 and includes significant additional premarket and post-market requirements. Complying with the requirements of this regulation requires us to incur significant expense. Additionally, the availability of EU notified body services certified to the new requirements is limited, which may delay the marketing approval for some of our products under the MDR. Any such delays, or any failure to meet the requirements of the new regulation, could adversely impact our business in the EU and other regions that tie their product registrations to the EU requirements.

Our products and operations are also often subject to the rules of industrial standards bodies, such as the International Standards Organization. If we fail to adequately address any of these regulations, our business could be harmed.

Furthermore, if we fail to receive or maintain necessary approvals or certifications to commercialize our products in foreign jurisdictions, our business, results of operations and financial condition could be adversely affected.

If we fail to comply with healthcare fraud and abuse laws and regulations or anticorruption regulations, we could face substantial penalties and our business, operations and financial condition could be adversely affected.

The sales, marketing and pricing of products and relationships that medical products companies have with healthcare providers are under increased scrutiny around the world. Our industry is subject to various laws and regulations pertaining to healthcare fraud and abuse, including the False Claims Act, the Anti-Kickback Statute, the Stark law, the Physician Payments Sunshine Act, the Food, Drug, and Cosmetic Act and similar laws and regulations in the United States and around the world. In addition, we are subject to various laws concerning anti-corruption and anti-bribery matters (including the FCPA), sales to countries or persons subject to economic sanctions and other matters affecting our international operations. The FCPA prohibits, among other things, improper payments or offers of payments to foreign governments and their officials for the purpose of obtaining or retaining business. While we have safeguards in place to discourage improper payments or offers of payments by our employees, consultants, sales agents or distributors, these safeguards may be ineffective. In the past, Zimmer Biomet (including a subsidiary of Zimmer Biomet that will be a subsidiary of the Company following the separation and distribution) has been subject to SEC and DOJ investigation with respect to an FCPA matter, resulting in an SEC administrative cease and desist order, a deferred prosecution agreement and a plea agreement, as well as oversight for a period of time through August 2020 by an independent compliance monitor. Any violations of the FCPA and similar laws may result in severe criminal or civil sanctions, and could result in substantial costs to respond to any such violations and to comply with any such sanctions, or could lead to other liabilities or proceedings against us, and would likely harm our reputation, business, financial condition and result of operations.

Healthcare fraud and abuse laws are broad in scope and are subject to evolving interpretation, which could require us to incur substantial costs to monitor compliance or to alter our practices if they are found not to be in compliance. Violations of these laws may be punishable by criminal or civil sanctions, including substantial fines, imprisonment and exclusion from participation in governmental healthcare programs. Despite implementation of a comprehensive global healthcare compliance program, we cannot provide assurance that any of the healthcare fraud and abuse laws will not change or be interpreted in the future in a manner which restricts or adversely affects our business activities or relationships with healthcare professionals, nor can we make any assurances that authorities will not challenge or investigate our current or future activities under these laws.

Responding to government requests and investigations requires considerable resources, including the time and attention of management. If we were to become the subject of an enforcement action, it could result in negative publicity, penalties, fines, the exclusion of our products from reimbursement under federally-funded programs and/or prohibitions on our ability to sell our products, which could have a material adverse effect on our results of operations, financial condition and liquidity.

If we fail to comply with data privacy and security laws and regulations, we could face substantial penalties and our business, operations and financial condition could be adversely affected.

We are subject to federal, state and foreign data privacy and security laws and regulations that govern the processing, collection, use, disclosure, transfer, storage, disposal and protection of health-related and other personal information. The FDA has issued guidance to which we may be subject concerning data security for medical devices, including information and documentation that should be contained in premarket submissions regarding cybersecurity and post-market management and reporting of cybersecurity risks. In addition, the QSR requires device manufacturers to address cybersecurity risks, including those posed by off-the-shelf software used in their devices. The FDA and the Department of Homeland Security ("DHS") have also issued urgent safety communications regarding cybersecurity vulnerabilities of certain medical devices, which vulnerabilities may apply to some of our current or future devices.

In addition, certain of our affiliates are subject to privacy, security and breach notification regulations promulgated under the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health Act (collectively, "HIPAA"). HIPAA governs the use, disclosure, and security of protected health information by HIPAA "covered entities" and their "business associates." Covered entities are health plans, health care clearinghouses and health care providers that engage in specific types of electronic transactions. A business associate is any person or entity (other than members of a covered entity's workforce) that performs a service on behalf of a covered entity involving the use or disclosure of protected health information. The U.S. Department of Health and Human Services ("HHS") (through the Office for Civil Rights) has direct enforcement authority over covered entities and business associates with regard to compliance with HIPAA regulations. On December 10, 2020, HHS issued a Notice of Proposed Rulemaking ("NPR") to modify the HIPAA privacy rule. Separately, HHS (through the National Coordinator for Health Information Technology) issued a new rule, effective April 5, 2021, that limits "blocking" of electronic health information. We intend to monitor both the NPR and the "information blocking" rule and assess their impact on the use of data in our business.

In addition to the FDA, QSR and guidance and HIPAA regulations described above, a number of U.S. states have also enacted data privacy and security laws and regulations that govern the processing, collection, use, disclosure, transfer, storage, disposal, and protection of personal information, such as social security numbers, medical and financial information and other personal information. These laws and regulations may be more restrictive and not preempted by U.S. federal laws. For example, several U.S. territories and all 50 states now have data breach laws that require timely notification to individuals, and at times regulators, the media or credit reporting agencies, if a company has experienced unauthorized access or acquisition of personal information. Other state laws include the California Consumer Privacy Act ("CCPA"), which, among other things, contains new disclosure obligations for businesses that collect personal information about California residents and affords those individuals numerous rights relating to their personal information that may affect our ability to use personal information or share it with our business partners. A second law in California, the California Privacy Rights Act ("CPRA"), expands the scope of the CCPA and establishes a new California Privacy Protection Agency that will enforce the law and issue regulations. The CPRA is scheduled to take effect on January 1, 2023. On that same date, a new Virginia law, the Virginia Consumer Data Protection Act ("VCDPA"), which is similar in many respects to the CCPA, is scheduled to take effect. Under the VCDPA, it is unlawful for persons subject to the law to process what is termed "sensitive data" without the affirmative, unambiguous consent of the consumer, subject to some exceptions. "Sensitive data" includes, but is not limited to, personal health diagnosis data. The Virginia Attorney General has sole authority to enforce the VCDPA, and enforcement efforts will be supported through the creation of a Consumer Privacy Fund. Regulated entities that violate the VCPDA may be subject to maximum civil penalties of $7,500 for each violation. Colorado recently enacted somewhat similar legislation, and other states are considering enacting similar privacy laws. We will continue to monitor and assess the impact of these emerging state laws, which may impose substantial penalties for violations, impose significant costs for investigations and compliance, allow private class-action litigation and carry significant potential liability for our business.

Outside of the United States, data protection laws, including the EU General Data Protection Regulation ("GDPR") in Europe and the Lei Geral de Proteção de Dados in Brazil, also apply to our operations in those countries in which we provide services to our customers. Legal requirements in these countries relating to the collection, storage, processing and transfer of personal data continue to evolve. The GDPR imposes, among other things, data protection requirements that include strict obligations and restrictions on the ability to collect, analyze and transfer personal data regarding persons in the EU, a requirement for prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances, and possible substantial fines for any violations (including possible fines for certain violations of up to the greater of 20 million Euros or 4% of total worldwide annual turnover of the preceding financial year). Governmental authorities around the world have enacted similar types of legislative and regulatory requirements concerning data protection, and additional governments are considering similar legal frameworks.

The interpretation and enforcement of the laws and regulations described above are uncertain and subject to change, and may require substantial costs to monitor and implement compliance with any additional requirements. Failure to comply with U.S. and international data protection laws and regulations could result in government enforcement actions (which could include substantial civil and/or criminal penalties), private litigation and/or adverse publicity and could have a material adverse impact on our business, financial condition or results of operations.

We are increasingly dependent on sophisticated information technology and if we fail to effectively maintain or protect our information systems or data, including from data breaches, our business could be adversely affected.

We are increasingly dependent on sophisticated information technology for our products, services and infrastructure. As a result of technology initiatives, expanding privacy and cybersecurity laws, changes in our system platforms and integration of new business acquisitions, we have been consolidating and integrating the number of systems we operate and have upgraded and expanded our information systems capabilities. In addition, some of our products and services incorporate software or information technology that collects data regarding patients and patient therapy, and some products or software we provide to customers connect to our systems for maintenance and other purposes. We also have outsourced elements of our operations to third parties, and, as a result, we manage a number of third-party suppliers who may or could have access to our confidential information, including, but not limited to, intellectual property, proprietary business information and personal information of patients, employees and customers (collectively "Confidential Information"). In addition, following the completion of the distribution, we will be dependent on our arrangements with Zimmer Biomet under the Transition Services Agreement to provide us with various information technology services.

Our information systems, and those of third-party suppliers with whom we contract, require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information technology, evolving systems and regulatory standards, changing threats and vulnerabilities, and the increasing need to protect patient, customer, and other personal or confidential information. In addition, given their size and complexity, these systems could be vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees, third-party vendors and/or business partners, or from cyber-attacks by malicious third parties attempting to gain unauthorized access to our products, systems or Confidential Information.

Like other multinational corporations, we have experienced instances of successful phishing attacks on our email systems and expect to be subject to similar attacks in the future. We also are subject to other cyber-attacks, including state-sponsored cyber-attacks, industrial espionage, insider threats, computer denial-of-service attacks, computer viruses, ransomware and other malware, payment fraud or other cyber incidents. In addition, as a result of the COVID-19 pandemic, a significant number of our employees who are able to work remotely are doing so, and malicious cyber actors may increase malware campaigns and phishing emails targeting teleworkers, preying on the uncertainties surrounding COVID-19, which exposes us to additional cybersecurity risks. The Company

has not experienced any cyber-attack incident or breach that has materially impacted the Company. However, because of the frequently changing attack techniques, along with the increased volume and sophistication of attacks, there is the potential for the Company to be adversely impacted. Our incident response efforts, business continuity procedures and disaster recovery planning may not be sufficient for all eventualities. If we fail to maintain or protect our information systems and data integrity effectively, we could:

- lose existing customers, vendors and business partners;
- have difficulty attracting new customers;
- have problems in determining product cost estimates and establishing appropriate pricing;
- suffer outages or disruptions in our operations or supply chain;
- have difficulty preventing, detecting, and controlling fraud;
- have disputes with customers, physicians, and other healthcare professionals;
- have regulatory sanctions or penalties imposed;
- incur increased operating expenses;
- be subject to issues with product functionality that may result in a loss of data, risk to patient safety, field actions and/or product recalls;
- incur expenses or lose revenues as a result of a data privacy breach; or
- suffer other adverse consequences.

While we have invested heavily in the protection of our data and information technology, there can be no assurance that our activities related to consolidating the number of systems we operate, upgrading and expanding our information systems capabilities, protecting and enhancing our systems and implementing new systems will be successful. We will continue to dedicate significant resources to protect against unauthorized access to our systems and work with government authorities to detect and reduce the risk of future cyber incidents; however, cyber-attacks are becoming more sophisticated, frequent and adaptive. Therefore, despite our efforts, we cannot assure that cyber-attacks or data breaches will not occur or that systems issues will not arise in the future. Any significant breakdown, intrusion, breach, interruption, corruption or destruction of these systems could have a material adverse effect on our business and reputation.

Pending and future product liability claims and litigation could adversely impact our financial condition and results of operations and impair our reputation.

Our business exposes us to potential product liability risks that are inherent in the design, manufacture and marketing of medical devices. In the ordinary course of business, we are the subject of product liability lawsuits alleging that component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or product-related information resulted in an unsafe condition or injury to patients. We are currently defending a number of product liability lawsuits and claims related to various products.

Product liability claims are expensive to defend, divert our management’s attention and, if we are not successful in defending the claim, can result in substantial monetary awards against us or costly settlements. Further, successful product liability claims made against one or more of our competitors could cause claims to be made against us or expose us to a perception that we are vulnerable to similar claims. Any product liability claim brought against us, with or without merit and regardless of the outcome or whether it is fully pursued, may result in: decreased demand for our products; injury to our reputation; significant litigation costs; product recalls; loss of revenue; the inability to commercialize new products or product candidates; and adverse publicity regarding our products. Any of these may have a material and adverse effect on our reputation with existing and potential customers and on our business, financial condition and results of operations. In addition, a recall of some of our products, whether or not the result of a product liability claim, could result in significant costs and loss of customers.

We bear the risk of warranty claims on our products.

We bear the risk of express and implied warranty claims on products we supply, including equipment and component parts manufactured by third parties. We may not be successful in claiming recovery under any warranty or indemnity provided to us by our suppliers or vendors in the event of a successful warranty claim against us by a customer or that any recovery from such vendor or supplier would be adequate. In addition, warranty claims brought by our customers related to third-party components may arise after our ability to bring corresponding warranty claims against such suppliers expire, which could result in additional costs to us. There is a risk that warranty claims made against us will exceed our warranty reserve and our business, financial condition and results of operations could be harmed.

The industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, which could adversely affect our business, results of operations and financial condition.

The industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, including the following:

- Governmental and private health care providers and payors around the world are increasingly utilizing managed care for the delivery of health care services, centralizing purchasing, limiting the number of vendors that may participate in purchasing programs, forming group purchasing organizations and integrated health delivery networks and pursuing consolidation to improve their purchasing leverage and using competitive bid processes to procure health care products and services.
- Certain of our customers, and the end-users to whom our customers supply products, rely on government funding of and reimbursement for health care products and services and research activities. The U.S. Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, health care austerity measures in other countries and other potential health care reform changes and government austerity measures have reduced and may further reduce the amount of government funding or reimbursement available to customers or end-users of our products and services and/or the volume of medical procedures using our products and services. Other countries, as well as some private payors, also control the price of health care products, directly or indirectly, through reimbursement, payment, pricing or coverage limitations, tying reimbursement to outcomes or (in the case of governmental entities) compulsory licensing. Global economic uncertainty or deterioration can also adversely impact government funding and reimbursement.

These changes as well as other impacts from market demand, government regulations, third-party coverage and reimbursement policies and societal pressures have started changing the way health care is delivered, reimbursed and funded and may cause participants in the health care industry and related industries that we serve to purchase fewer of our products and services, reduce the prices they are willing to pay for our products and services, reduce the amounts of reimbursement and funding available for our products and services from governmental agencies or third-party payors, heighten clinical data requirements, reduce the volume of medical procedures that use our products and services, affect the acceptance rate of new technologies and products and increase our compliance and other costs. In addition, we may be excluded from important market segments or unable to enter into contracts with group purchasing organizations and integrated health networks on terms acceptable to us, and even if we do enter into such contracts, they may be on terms that negatively affect our current or future profitability. All of the factors described above could adversely affect our business, results of operations and financial condition.

We are substantially dependent on patent and other proprietary rights, and failing to protect such rights or to be successful in litigation related to our rights or the rights of others may result in our payment of significant monetary damages and/or royalty payments, negatively impact our ability to sell current or future products, or prohibit us from enforcing our patent and other proprietary rights against others.

Claims of intellectual property infringement and litigation regarding patent and other intellectual property rights are commonplace in our industry and are frequently time consuming and costly. At any given time, we may be

involved as either plaintiff or defendant in a number of patent infringement actions, the outcomes of which may not be known for prolonged periods of time. While it is not possible to predict the outcome of patent and other intellectual property litigation, such litigation could result in our payment of significant monetary damages and/or royalty payments, negatively impact our ability to sell current or future products, or prohibit us from enforcing our patent and proprietary rights against others, which could have a material adverse effect on our business and results of operations.

Our success depends in part on our proprietary technology, processes, methodologies and information. We rely on a combination of patent, copyright, trademark, trade secret and other intellectual property laws and nondisclosure, license, assignment and confidentiality arrangements to establish, maintain and protect our proprietary rights, as well as the intellectual property rights of third parties whose assets we license. However, the steps we have taken to protect our intellectual property rights, and the rights of those from whom we license intellectual property, may not be adequate to prevent unauthorized use, misappropriation or theft of our intellectual property. Further, our currently pending or future patent applications may not result in patents being issued to us, patents issued to or licensed by us in the past or in the future may be challenged or circumvented by competitors, and such patents may be found invalid, unenforceable or insufficiently broad to protect our technology or to provide us with any competitive advantage. Third parties could obtain patents that may require us to negotiate licenses to conduct our business, and the required licenses may not be available on reasonable terms or at all. We also cannot be certain that others will not independently develop substantially equivalent proprietary information.

In addition, intellectual property laws differ in various jurisdictions in which we operate and are subject to change at any time, which could further restrict our ability to protect our intellectual property and proprietary rights. In particular, a portion of our revenues is derived from jurisdictions where adequately protecting intellectual property rights may prove more challenging or impossible. We may also not be able to detect unauthorized uses or take timely and effective steps to remedy unauthorized conduct. To prevent or respond to unauthorized uses of our intellectual property, we might be required to engage in costly and time-consuming litigation or other proceedings and we may not ultimately prevail. Any failure to establish, maintain or protect our intellectual property or proprietary rights could have a material adverse effect on our business, financial condition, or results of operations.

We are involved in legal proceedings that may result in adverse outcomes.

In addition to intellectual property and product liability claims and lawsuits, we are involved in various commercial litigation and claims and other legal proceedings that arise from time to time in the ordinary course of our business. Given the uncertain nature of legal proceedings generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome. We could in the future incur judgments or enter into settlements of claims that could have a material adverse effect on our results of operations in any particular period.

Our business involves the use of hazardous materials and we and our third-party manufacturers must comply with environmental laws and regulations, which may be expensive and restrict how we do business.

Our third-party manufacturers' activities and our own activities involve the controlled storage, use and disposal of hazardous materials or materials that can become hazardous as result of the manufacturing process. We and our manufacturers are subject to federal, state, local and foreign laws and regulations governing the use, generation, manufacture, storage, handling and disposal of these hazardous materials. Although we believe that our safety procedures for handling and disposing of these materials and waste products comply with the standards prescribed by these laws and regulations, we cannot eliminate the risk of accidental injury or contamination from the use, storage, handling or disposal of hazardous materials. In the event of an accident, state or federal or other applicable authorities may curtail our use of these materials and interrupt our business operations. In addition, if an accident or environmental discharge occurs, or if we discover contamination caused

by prior operations, including by prior owners and operators of properties we acquire, we could be liable for cleanup obligations, damages and fines. If such unexpected costs are substantial, this could significantly harm our financial condition and results of operations.

Risks Related to the Separation and the Distribution

We have no history of operating as an independent, public company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

Our *pro forma* financial information included in this information statement is derived from the consolidated financial statements and accounting records of Zimmer Biomet and ZimVie (a direct, wholly owned subsidiary of Zimmer Biomet). Accordingly, the *pro forma* financial information included in this information statement does not necessarily reflect the financial condition, results of operations and cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- Until the distribution, our business will be operated by Zimmer Biomet as part of its broader corporate organization, rather than as an independent company. Zimmer Biomet or one of its affiliates currently performs certain corporate functions for us. Our historical financial results reflect allocations of corporate expenses from Zimmer Biomet for such functions. We consider the expense methodology and resulting allocation to be reasonable; however, the allocations may not be indicative of actual expense that would have been incurred had we operated as an independent, publicly traded company and our actual expense may be significantly different from such allocations.
- Currently, our business is integrated with the other businesses of Zimmer Biomet. We have shared economies of scope and scale in costs, employees and vendor relationships. Although we will enter into a transition services agreement, a transition manufacturing and supply agreement and a reverse transition manufacturing and supply agreement with Zimmer Biomet prior to the distribution, these arrangements may not retain or fully capture the benefits that we have enjoyed as a result of being integrated with Zimmer Biomet and may result in us paying higher charges than in the past for these services. This could have a material adverse effect on our business, financial condition, results of operations and cash flows following the completion of the distribution.
- Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have in the past been satisfied as part of the corporate-wide cash management policies of Zimmer Biomet. Following the completion of the distribution, we may need to obtain financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may or may not be available and may be more costly.
- After the completion of the distribution, the cost of capital for our business may be higher than Zimmer Biomet's cost of capital prior to the distribution.
- As a public company, we will become subject to the reporting requirements of the Securities Exchange Act of 1934 ("Exchange Act"), the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act and will be required to prepare our financial statements according to the rules and regulations required by the SEC. Complying with these requirements could result in significant costs and require us to divert substantial resources, including management time, from other activities.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from Zimmer Biomet. For additional information about the past financial performance of our business and the basis of presentation of the historical combined financial statements and the unaudited *pro forma* combined financial information, see the sections entitled "Unaudited Pro

Forma Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and accompanying notes included elsewhere in this information statement.

The combined market value following the distribution of one-tenth of a share of ZimVie common stock and one share of Zimmer Biomet common stock may not equal or exceed the pre-distribution value of one share of Zimmer Biomet common stock.

There can be no assurance that following the distribution the aggregate market value of one-tenth of a share of ZimVie common stock and one share of Zimmer Biomet common stock will be higher than, lower than or the same as the market value of one share of Zimmer Biomet common stock if the separation did not occur.

If the distribution, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, we, Zimmer Biomet, and Zimmer Biomet stockholders could be subject to significant tax liabilities and, in certain circumstances, we could be required to indemnify Zimmer Biomet for material taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement.

It is a condition to the distribution that the private letter ruling from the IRS regarding certain U.S. federal income tax matters relating to the separation and distribution received by Zimmer Biomet remain valid and be satisfactory to the Zimmer Biomet board of directors and that the Zimmer Biomet board of directors receive one or more opinions from its tax advisors, in each case satisfactory to the Zimmer Biomet board of directors, regarding certain U.S. federal income tax matters relating to the separation and the distribution. The receipt and continued effectiveness of the IRS private letter ruling and the opinion(s) of tax advisors are separate conditions to the distribution, either or both of which may be waived by Zimmer Biomet in its sole and absolute discretion. The IRS private letter ruling and the opinion(s) of tax advisors will be based upon and rely on, among other things, the continuing validity of such private letter ruling, various facts and assumptions, as well as certain representations, statements and undertakings of Zimmer Biomet and us, including those relating to the past and future conduct of Zimmer Biomet and us. If any of these representations, statements or undertakings is, or becomes, inaccurate or incomplete, or if Zimmer Biomet or we breach any of the representations or covenants contained in any of the separation-related agreements and documents or in any documents relating to the IRS private letter ruling and/or the opinion(s) of tax advisors, the IRS private letter ruling and/or the opinion(s) of tax advisors may be invalid and the conclusions reached therein could be jeopardized.

Notwithstanding receipt of the IRS private letter ruling and the opinion(s) of tax advisors, the IRS could determine that the distribution and/or certain related transactions should be treated as taxable transactions for U.S. federal income tax purposes if it determines that any of the representations, assumptions, or undertakings upon which the IRS private letter ruling or the opinion(s) of tax advisors were based are false or have been violated. In addition, neither the IRS private letter ruling nor the opinion(s) of tax advisors will address all of the issues that are relevant to determining whether the distribution, together with certain related transactions, qualifies as a transaction that is generally tax-free for U.S. federal income tax purposes. Further, the opinion(s) of tax advisors represent the judgment of such tax advisors and are not binding on the IRS or any court, and the IRS or a court may disagree with the conclusions in the opinion(s) of tax advisors. Accordingly, notwithstanding receipt by Zimmer Biomet of the IRS private letter ruling and the opinion(s) of tax advisors, there can be no assurance that the IRS will not assert that the distribution and/or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail in such challenge, Zimmer Biomet, we and Zimmer Biomet stockholders could be subject to significant U.S. federal income tax liability.

If the distribution, together with related transactions, fails to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code of 1986 (the "Code"), in general, for U.S. federal income tax purposes, Zimmer Biomet would recognize taxable gain as if it

had sold ZimVie common stock in a taxable sale for its fair market value (unless Zimmer Biomet and we jointly make an election under Section 336(e) of the Code with respect to the distribution, in which case, in general, (a) the Zimmer Biomet group would recognize taxable gain as if we had sold all of our assets in a taxable sale in exchange for an amount equal to the fair market value of ZimVie common stock and the assumption of all our liabilities and (b) we would obtain a related step-up in the basis of our assets) and, if the distribution fails to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 355, in general, for U.S. federal income tax purposes, Zimmer Biomet stockholders who receive our shares in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. For additional information, see the section entitled "Material U.S. Federal Income Tax Consequences."

Under the tax matters agreement that Zimmer Biomet will enter into with us, we may be required to indemnify Zimmer Biomet against any additional taxes and related amounts resulting from (a) an acquisition of all or a portion of our equity securities or assets, whether by merger or otherwise (and regardless of whether we participated in or otherwise facilitated the acquisition), (b) other actions or failures to act by us or (c) any inaccuracy or breach of our representations, covenants or undertakings contained in any of the separation-related agreements and documents or in any documents relating to the IRS private letter ruling and/or the opinion(s) of tax advisors. Any such indemnity obligations, including the obligation to indemnify Zimmer Biomet for taxes resulting from the distribution and certain related transactions not qualifying as tax-free, could be material.

U.S. federal income tax consequences may restrict our ability to engage in certain desirable strategic or capital-raising transactions after the separation.

Under current law, a separation can be rendered taxable to Zimmer Biomet and its stockholders as a result of certain post-separation acquisitions of shares or assets of ZimVie. For example, a separation may result in taxable gain to Zimmer Biomet under Section 355(e) of the Code if the separation were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50 percent or greater interest (by vote or value) in ZimVie. To preserve the U.S. federal income tax treatment of the separation and distribution, and in addition to our indemnity obligation described above, the tax matters agreement will restrict us, for the two-year period following the distribution, except in specific circumstances, from:

- entering into any transaction pursuant to which all or a portion of ZimVie common stock or assets would be acquired, whether by merger or otherwise;
- issuing equity securities beyond certain thresholds;
- repurchasing shares of our capital stock other than in certain open-market transactions;
- ceasing to actively conduct certain aspects of our business; and/or
- taking or failing to take any other action that would jeopardize the expected U.S. federal income tax treatment of the distribution and certain related transactions.

These restrictions may limit our ability to pursue certain strategic transactions or other transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our business.

Until the separation and distribution occur, the Zimmer Biomet board of directors has sole and absolute discretion to change the terms of the separation and distribution in ways that may be unfavorable to us or waive any condition to the separation and distribution.

Until the separation and distribution occur, we will continue to be a direct, wholly owned subsidiary of Zimmer Biomet. Accordingly, Zimmer Biomet will have the sole and absolute discretion to determine and change the terms of the separation and distribution, including the establishment of the record date for the distribution and the distribution date. Zimmer Biomet may also waive any condition to the distribution in its sole and absolute

discretion. These changes could be unfavorable to us. See the section entitled "Material U.S. Federal Income Tax Consequences" for a discussion of the U.S. federal income tax consequences for us and our stockholders that may arise if Zimmer Biomet waives the IRS private letter ruling and/or opinion(s) of tax advisors conditions and the distribution is treated as a taxable transaction for U.S. federal income tax purposes. In addition, Zimmer Biomet may decide at any time not to proceed with the separation and distribution.

The transfer to us by Zimmer Biomet of certain contracts, permits and other assets and rights may require the consents or approvals of, or provide other rights to, third parties and governmental authorities. If such consents or approvals are not obtained, we may not be entitled to the benefit of such contracts, permits and other assets and rights, which could increase our expenses or otherwise harm our business and financial performance.

The separation agreement will provide that certain contracts, permits and other assets and rights are to be transferred from Zimmer Biomet or its subsidiaries to ZimVie or its subsidiaries in connection with the separation. The transfer of certain of these contracts, permits and other assets and rights may require consents or approvals of third parties or governmental authorities or provide other rights to third parties. In addition, in some circumstances, we and Zimmer Biomet are joint beneficiaries of contracts, and we and Zimmer Biomet may need the consents of third parties in order to split or separate the existing contracts or the relevant portion of the existing contracts to us or Zimmer Biomet.

Some parties may use consent requirements or other rights to seek to terminate contracts or obtain more favorable contractual terms from us, which, for example, could take the form of adverse price changes, require us to expend additional resources in order to obtain the services or assets previously provided under the contract, or require us to seek arrangements with new third parties or obtain letters of credit or other forms of credit support. If we are unable to obtain required consents or approvals, we may be unable to obtain the benefits, permits, assets and contractual commitments that are intended to be allocated to us as part of our separation from Zimmer Biomet, and we may be required to seek alternative arrangements to obtain services and assets which may be more costly and/or of lower quality. The termination or modification of these contracts or permits or the failure to timely complete the transfer or separation of these contracts or permits could negatively impact our business, financial condition, results of operations and cash flows.

We may not achieve some or all of the expected benefits of the separation, and the separation may materially and adversely affect our financial position, results of operations and cash flows.

We may be unable to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all. The separation and distribution are expected to provide the following benefits, among others:

- a distinct investment identity allowing investors to evaluate the merits, strategy, performance and future prospects of our business separately from Zimmer Biomet;
- more efficient allocation of capital for both Zimmer Biomet and us;
- enhanced management focus to more effectively pursue distinct operating priorities and strategies at Zimmer Biomet and ZimVie;
- direct access for our business to the capital markets, while at the same time creating an independent equity structure that will facilitate our ability to execute future acquisitions utilizing ZimVie common stock; and
- facilitation of incentive compensation arrangements for employees and management that are more directly tied to the performance of the relevant company's business, and enhancement of employee hiring and retention by, among other things, improving the alignment of management and employee incentives with performance and growth objectives.

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others that: (a) the separation will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business; (b) following the separation and distribution, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of Zimmer Biomet; (c) following the separation and distribution, our business will be less diversified than Zimmer Biomet's business prior to the separation and distribution; and (d) the other actions required to separate Zimmer Biomet's and our respective businesses could disrupt our operations. If we fail to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, it could have a material adverse effect on our financial position, results of operations and cash flows.

Zimmer Biomet or we may fail to perform under various transaction agreements that will be executed as part of the separation, or we may fail to have necessary systems and services in place when certain of the transaction agreements expire.

In connection with the separation and prior to the distribution, we and Zimmer Biomet will enter into a separation agreement and will also enter into various other agreements, including a transition services agreement, a tax matters agreement, an employee matters agreement, an intellectual property matters agreement, a transitional trademark license agreement, a transition manufacturing and supply agreement and a reverse transition manufacturing and supply agreement. The separation agreement, the tax matters agreement, the employee matters agreement, the intellectual property matters agreement and the transitional trademark license agreement will determine the allocation of assets, rights and liabilities between the companies following the separation for those respective areas and will include any necessary indemnifications related to liabilities and obligations. The transition services agreement will provide for the performance of certain services by Zimmer Biomet for the benefit of us for a limited period of time after the separation. Additionally, we will manufacture certain products for Zimmer Biomet on a transitional basis and Zimmer Biomet will manufacture certain products for us. We will rely on Zimmer Biomet to satisfy its obligations under these agreements. If Zimmer Biomet is unable to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses. Upon expiration of the transition services agreement, the transition manufacturing and supply agreement and the reverse transition manufacturing and supply agreement, each of the services that are covered in such agreements will have to be provided internally or by third parties. If we do not have agreements with other providers of these services once certain transaction agreements expire or terminate, we may not be able to operate our business effectively, which may have a material adverse effect on our financial position, results of operations and cash flows.

The terms we will receive in our agreements with Zimmer Biomet could be less beneficial than the terms we may have otherwise received from unaffiliated third parties.

The agreements we will enter into with Zimmer Biomet in connection with the separation, including the separation agreement, a transition services agreement, a tax matters agreement, an employee matters agreement, an intellectual property matters agreement, a transitional trademark license agreement, a transition manufacturing and supply agreement, a reverse transition manufacturing and supply agreements and a stockholder and registration rights agreement, were prepared in the context of the separation while ZimVie was still a wholly owned subsidiary of Zimmer Biomet. Accordingly, ZimVie did not have a board of directors or a management team that were independent of Zimmer Biomet. As a result of these factors, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. For additional information, see the section entitled "Certain Relationships and Related Person Transactions."

Following the distribution, certain members of management, directors and stockholders will hold stock in both Zimmer Biomet and our Company, and as a result, may face actual or potential conflicts of interest.

After the distribution, the management and directors of each of Zimmer Biomet and ZimVie may own both Zimmer Biomet common stock and ZimVie common stock. This ownership overlap could create, or appear to

create, potential conflicts of interest when our management and directors and Zimmer Biomet's management and directors face decisions that could have different implications for us and Zimmer Biomet. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between Zimmer Biomet and us regarding the terms of the agreements governing the distribution and our relationship with Zimmer Biomet thereafter. These agreements include the separation and distribution agreement, the tax matters agreement, the employee matters agreement, the intellectual property matters agreement, the transition services agreement, the transitional trademark license agreement, the transition manufacturing and supply agreement, the reverse transition manufacturing and supply agreement, the stockholder and registration rights agreement and any commercial agreements between the parties or their affiliates. Potential conflicts of interest may also arise out of any commercial arrangements that we or Zimmer Biomet may enter into in the future.

No vote of Zimmer Biomet stockholders is required in connection with the separation and distribution.

No vote of Zimmer Biomet stockholders is required in connection with the separation and distribution. Accordingly, if this transaction occurs and you do not want to receive ZimVie common stock in the distribution, your only recourse will be to divest yourself of your Zimmer Biomet common stock prior to the record date for the distribution or to sell your Zimmer Biomet common stock in the "regular way" market in between the record date and the distribution date.

As an independent, publicly traded company, we may not enjoy the same benefits that we did as part of Zimmer Biomet.

Historically, our businesses have been operated as business segments of Zimmer Biomet, and Zimmer Biomet performed substantially all the corporate functions for our operations, including managing financial and human resources systems, internal auditing, investor relations, treasury services, accounting functions, finance and tax administration, benefits administration, legal, regulatory, and corporate branding functions.

Following the distribution, Zimmer Biomet will provide support to us with respect to certain of these functions on a transitional basis. We will need to replicate certain facilities, systems, infrastructure and personnel to which we will no longer have access after the distribution and will likely incur capital and other costs associated with developing and implementing our own support functions in these areas. Such costs could be material.

As an independent, publicly traded company, we may become more susceptible to market fluctuations and other adverse events than we would have been were we still a part of Zimmer Biomet. As part of Zimmer Biomet, we have been able to enjoy certain benefits from Zimmer Biomet's operating diversity and available capital for investments. As an independent, publicly traded company, we will not have similar operating diversity and may not have similar access to capital markets, which could have a material adverse effect on our financial position, results of operations and cash flows.

In connection with our separation from Zimmer Biomet, Zimmer Biomet will indemnify us for certain liabilities and we will indemnify Zimmer Biomet for certain liabilities. If we are required to pay under these indemnities to Zimmer Biomet, our financial results could be negatively impacted. The Zimmer Biomet indemnity may not be sufficient to hold us harmless from the full amount of liabilities for which Zimmer Biomet will be allocated responsibility, and Zimmer Biomet may not be able to satisfy its indemnification obligations in the future.

Pursuant to the separation agreement and certain other agreements with Zimmer Biomet, Zimmer Biomet will agree to indemnify us for certain liabilities, and we will agree to indemnify Zimmer Biomet for certain liabilities, in certain cases for uncapped amounts, as discussed further in "Certain Relationships and Related Person Transactions." Indemnities that we may be required to provide Zimmer Biomet may not be subject to any cap, may be significant and could negatively impact our business, particularly with respect to indemnities provided in the tax matters agreement (as described in more detail above). Third parties could also seek to hold us

responsible for any of the liabilities that Zimmer Biomet has agreed to retain. Any amounts we are required to pay pursuant to these indemnification obligations and other liabilities could require us to divert cash that would otherwise have been used operating our business. Further, the indemnity from Zimmer Biomet may not be sufficient to protect us against the full amount of such liabilities, and Zimmer Biomet may not be able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Zimmer Biomet any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. Each of these risks could have a material adverse effect on our financial position, results of operations and cash flows.

The allocation of intellectual property rights among us and Zimmer Biomet as part of the separation could adversely impact our competitive position and our ability to develop and commercialize certain future products and services.

In connection with the separation, we are entering into an intellectual property matters agreement with Zimmer Biomet governing, among other things, the allocation of intellectual property rights related to our respective businesses. As a result of the separation and such allocation, we will no longer have an ownership interest in certain intellectual property rights, but will become a non-exclusive licensee of such rights. This loss of the ownership of certain intellectual property rights could adversely affect our ability to maintain our competitive position through the enforcement of these rights against third parties that infringe these rights. In addition, we may lose our ability to license these rights to third parties in exchange for a license to such third parties' rights we may need to operate our business.

The terms of the intellectual property matters agreement also include cross-licenses among the parties of certain intellectual property rights owned by ZimVie and Zimmer Biomet and needed for the continuation of the operations of the ZimVie businesses and the Zimmer Biomet core orthopedic businesses, respectively. The licenses granted to us by Zimmer Biomet are nonexclusive and, accordingly, Zimmer Biomet could license such licensed intellectual property rights to our competitors, which could adversely affect our competitive position in the industry. Moreover, our use of the intellectual property rights licensed to us by Zimmer Biomet will be restricted to existing products (and derivative products) in certain fields of use related to our business. The limited nature of such licenses, and the other rights granted to ZimVie pursuant to the intellectual property matters agreement, may not provide us with all the intellectual property rights that ZimVie currently holds or may need as our business changes in the future. Accordingly, if we were to expand our business to include new products and services outside of our current fields of use, we will not have the benefit of such licenses for such new products or services. As a result, it may be necessary for us to develop our technology independently of such licensed rights, which could make it more difficult, time consuming and/or expensive for us to develop and commercialize certain new products and services.

Potential liabilities may arise due to fraudulent transfer considerations, which would adversely affect our financial condition and results of operations.

In connection with the separation (including the internal reorganization), Zimmer Biomet has undertaken and will undertake several corporate reorganization transactions involving its subsidiaries which, along with the distribution, may be subject to various fraudulent conveyance and transfer laws. If, under these laws, a court were to determine that, at the time of the separation, any entity involved in these reorganization transactions or the separation:

- (1) was insolvent, was rendered insolvent by reason of the separation, or had remaining assets constituting unreasonably small capital, and (2) received less than fair consideration in exchange for the distribution; or
- intended to incur, or believed it would incur, debts beyond its ability to pay those debts as they matured,

then the court could void the separation and distribution, in whole or in part, as a fraudulent conveyance or transfer. The court could then require our stockholders to return to Zimmer Biomet some or all of the shares of

ZimVie common stock issued in the distribution, or require Zimmer Biomet or ZimVie, as the case may be, to fund liabilities of the other company for the benefit of creditors. The measure of insolvency will vary depending upon the jurisdiction and the applicable law. Generally, however, an entity would be considered insolvent if the fair value of its assets was less than the amount of its liabilities (including the probable amount of contingent liabilities), or if it incurred debt beyond its ability to repay the debt as it matures. No assurance can be given as to what standard a court would apply to determine insolvency or that a court would determine that ZimVie or any of its subsidiaries were solvent at the time of or after giving effect to the distribution.

Risks Related to ZimVie Common Stock

We cannot be certain that an active trading market for our shares of common stock will develop or be sustained after the distribution, and following the distribution, our stock price may fluctuate significantly.

A public market for our shares of common stock does not currently exist. We anticipate that on or about the record date for the distribution, trading in shares of ZimVie common stock will begin on a "when-issued" basis, which will continue through the distribution date. However, we cannot guarantee that an active trading market will develop or be sustained for shares of ZimVie common stock after the distribution. Nor can we predict the prices at which shares of ZimVie common stock may trade after the distribution. Similarly, we cannot predict the effect of the distribution on the trading prices of shares of ZimVie common stock or whether the combined market value of the shares of ZimVie common stock and Zimmer Biomet common stock will be less than, equal to or greater than the market value of shares of Zimmer Biomet common stock prior to the distribution.

Until the market has fully evaluated Zimmer Biomet's remaining businesses without ZimVie, the price at which shares of Zimmer Biomet common stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. Similarly, until the market has fully evaluated our business as a stand-alone entity, the prices at which shares of ZimVie common stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. The increased volatility of our stock price following the distribution may have a material adverse effect on our business, financial condition and results of operations.

The market price of shares of ZimVie common stock may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- declining operating revenues derived from our core business;
- the operating and stock price performance of comparable companies;
- changes in our stockholder base due to the separation; and
- changes in the regulatory and legal environment in which we operate.

If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for ZimVie common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage for ZimVie common stock. If there is no research coverage of ZimVie common stock, the trading price for shares of ZimVie common stock may be negatively impacted. If we obtain research coverage for ZimVie common stock and if one or more of the analysts downgrades our stock or publishes misleading or unfavorable research about our business, our stock price would likely decline. If one or more of the analysts ceases coverage of ZimVie common stock or fails to publish reports on us regularly, demand for ZimVie common stock could decrease, which could cause the stock price or trading volume of ZimVie common stock to decline.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we will be required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. In addition, beginning with our second annual report on Form 10-K, we expect we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act. Our independent registered public accounting firm will also be required to express an opinion as to the effectiveness of our internal control over financial reporting. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating.

The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is time consuming, costly, and complicated. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

The market price of shares of our common stock may be volatile, which could cause the value of your investment to decline.

Even if a trading market develops, the market price of our common stock may be highly volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of shares of our common stock regardless of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly operating results or dividends, if any, to stockholders, additions or departures of key management personnel, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, adverse publicity about the industries we participate in or individual scandals, and in response the market price of shares of our common stock could decrease significantly.

In the past few years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

We do not expect to pay any cash dividends for the foreseeable future.

We currently intend to retain future earnings to finance the operation and expansion of our business. As a result, we do not expect to pay any cash dividend for the foreseeable future. All decisions regarding the payment of dividends will be made by our board of directors from time to time in accordance with applicable law. There can be no assurance that we will have sufficient surplus under Delaware law to be able to pay any dividends at any

time in the future. This may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures or increases in reserves. If we do not pay dividends, the price of the shares of ZimVie common stock that you receive in the distribution must appreciate for you to receive a gain on your investment. This appreciation may not occur. Further, you may have to sell some or all of your shares of ZimVie common stock to generate cash flow from your investment.

There may be substantial changes in our stockholder base.

Many investors receiving shares of ZimVie common stock pursuant to the distribution may hold those shares because of a decision to invest in a company with Zimmer Biomet's profile. Following the distribution, the shares of ZimVie common stock held by those investors will represent an investment in a company focused on the spine and dental industries, with a different profile. This may not be aligned with a holder's investment strategy and may cause the holder to sell the shares of ZimVie common stock they receive in the distribution. As a result, our stock price may decline or experience volatility as our stockholder base changes.

Your percentage of ownership in our Company may be diluted in the future.

In the future, your percentage ownership in our Company may be diluted because of existing equity awards and equity awards that we will be granting to our directors, officers, employees and consultants or otherwise as a result of equity issuances for acquisitions or capital market transactions. Further, we anticipate our Compensation Committee will grant additional stock-based awards to our employees after the distribution. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of shares of ZimVie common stock. From time to time, we will issue additional stock-based awards to our employees under our employee benefits plans.

In addition, our certificate of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock that have such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over ZimVie common stock respecting dividends and distributions, as our board of directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of ZimVie common stock. Similarly, the repurchase or redemption rights or liquidation preferences we could assign to holders of preferred stock could affect the residual value of the common stock. For a more detailed description of our common and preferred stock, see the section entitled "Description of Our Capital Stock."

Our certificate of incorporation will designate a state or federal court located in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against us and our directors and officers.

Our certificate of incorporation will provide that, unless we consent in writing to an alternative forum, a state or federal court located in the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of ours to us or our stockholders, (iii) any action asserting a claim against us or any director, officer or other employee arising pursuant to any provision of the Delaware General Corporation Law, as amended (the "DGCL"), or our certificate of incorporation or bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against us or any director, officer or other employee of ours governed by the internal affairs doctrine. This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with our Company or our directors or officers, which may discourage such lawsuits against us and our directors and officers. Alternatively, if a court outside of Delaware were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

Section 22 of the Securities Act, creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation will provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, since Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty of liability created by the Exchange Act or the rules and regulations thereunder, our certificate of incorporation will further provide that the exclusive forum provision does not apply to actions arising under the Exchange Act or the rules and regulations thereunder.

This exclusive forum provision may limit the ability of a stockholder to commence litigation in a forum that the stockholder prefers, or may require a stockholder to incur additional costs in order to commence litigation in Delaware or U.S. federal district courts, each of which may discourage such lawsuits against us or our directors or officers.

Anti-takeover provisions in our certificate of incorporation and bylaws and of Delaware law could enable our board of directors to resist a takeover attempt by a third party and limit the power of our stockholders.

Our certificate of incorporation and bylaws, and Delaware law, contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids more expensive to the acquiror and to encourage prospective acquirors to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings and the right of our board of directors to issue preferred stock without stockholder approval. Delaware law also imposes some restrictions on mergers and other business combinations between any holder of 15 percent or more of our outstanding common stock and us. For additional information on the anti-takeover effects of Delaware law and our certificate of incorporation and bylaws, see the section entitled “Description of Our Capital Stock—Anti-Takeover Effects of Various Provisions of Delaware Law and our Certificate of Incorporation and Bylaws.”

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of our Company and our stockholders. Accordingly, in the event that our board of directors determines that a potential business combination transaction is not in the best interests of our Company and our stockholders but certain stockholders believe that such a transaction would be beneficial to us and our stockholders, such stockholders may elect to sell their shares in our Company and the trading price of ZimVie common stock could decrease.

These and other provisions of our certificate of incorporation, bylaws and the DGCL could have the effect of delaying, deferring or preventing a proxy contest, tender offer, merger or other change in control, which may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, an acquisition or further issuance of our stock could trigger the application of Section 355(e) of the Code, causing the distribution to be taxable to Zimmer Biomet. For a discussion of Section 355(e) of the Code, see the section entitled “Material U.S. Federal Income Tax Consequences.” Under the tax matters agreement, and as described in more detail above, we would be required to indemnify Zimmer Biomet for the resulting taxes and related amount, and this indemnity obligation might discourage, delay or prevent a change of control that you may consider favorable.

A significant number of our shares of common stock are or will be eligible for future sale, including the disposition by Zimmer Biomet of the shares of ZimVie common stock that it may retain after the distribution, which may cause the market price for ZimVie common stock to decline.

Upon completion of the separation and distribution, approximately 26.1 million shares of our common stock will be outstanding. Virtually all of those shares will be freely tradable without restriction or registration under the Securities Act, except for the shares of ZimVie retained by Zimmer Biomet. We are unable to predict whether large amounts of ZimVie common stock will be sold in the open market following the separation and distribution. We are also unable to predict whether a sufficient number of buyers of ZimVie common stock to meet the demand to sell shares of ZimVie common stock at attractive prices would exist at that time. It is possible that Zimmer Biomet stockholders will sell the shares of ZimVie common stock they receive in the distribution for various reasons. For example, such stockholders may not believe that our business profile or our level of market capitalization as an independent company fits their investment objectives. The sale of significant amounts of ZimVie common stock or the perception in the market that this will occur may lower the market price of ZimVie common stock.

Following the distribution, Zimmer Biomet will retain approximately 19.7 percent of the outstanding shares of ZimVie common stock. Zimmer Biomet currently intends to dispose of all of the ZimVie common stock that it retains after the distribution by exchanging such ZimVie common stock for Zimmer Biomet debt held by one or more investment banks. To the extent Zimmer Biomet holds any ZimVie common stock thereafter, Zimmer Biomet will dispose of such stock as soon as disposition is warranted (but in no event later than five years after the distribution), consistent with its business purpose of creating independent companies with separate capital structures, and maintaining its investment grade credit rating. Following such debt-for-equity exchange, it is anticipated that the investment banks will sell such shares to public investors in a pre-marketed equity offering. We will agree that, upon the request of Zimmer Biomet, we will use our reasonable best efforts to effect a registration under applicable federal and state securities laws of any shares of ZimVie common stock retained by Zimmer Biomet. For additional information, see the section entitled “Certain Relationships and Related Persons Transactions—Stockholder and Registration Rights Agreement.” Any disposition by Zimmer Biomet, or any significant stockholder, of ZimVie common stock in the public market, or the perception that such dispositions could occur, could adversely affect prevailing market prices for ZimVie common stock.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This information statement contains forward-looking statements within the meaning of federal securities laws, including, among others, any statements about our expectations, plans, intentions, strategies or prospects. We generally use the words “may,” “will,” “expects,” “believes,” “anticipates,” “plans,” “estimates,” “projects,” “assumes,” “guides,” “targets,” “forecasts,” “sees,” “seeks,” “should,” “could,” “would,” “predicts,” “potential,” “strategy,” “future,” “opportunity,” “work toward,” “intends,” “guidance,” “confidence,” “positioned,” “design,” “strive,” “continue,” “look forward to” and similar expressions to identify forward-looking statements. All statements other than statements of historical or current fact are, or may be deemed to be, forward-looking statements. Such statements are based upon the current beliefs, expectations and assumptions of management and are subject to significant risks, uncertainties and changes in circumstances that could cause actual outcomes and results to differ materially from the forward-looking statements. These risks, uncertainties and changes in circumstances include, but are not limited to: the effects of the COVID-19 global pandemic and other adverse public health developments on the global economy, our business and operations and the business and operations of our suppliers and customers, including the deferral of elective procedures and our ability to collect accounts receivable; dependence on new product development, technological advances and innovation; shifts in the product category or regional sales mix of our products and services; supply and prices of raw materials and products; pricing pressures from competitors, customers, dental practices and insurance providers; changes in customer demand for our products and services caused by demographic changes or other factors; challenges relating to changes in and compliance with governmental laws and regulations affecting our U.S. and international businesses, including regulations of the FDA and foreign government regulators, such as more stringent requirements for regulatory clearance of products; competition; the impact of healthcare reform measures; reductions in reimbursement levels by third-party payors; cost containment efforts sponsored by government agencies, legislative bodies, the private sector and healthcare group purchasing organizations, including the volume-based procurement process in China; control of costs and expenses; dependence on a limited number of suppliers for key raw materials and outsourced activities; the ability to obtain and maintain adequate intellectual property protection; breaches or failures of our information technology systems or products, including by cyberattack, unauthorized access or theft; the ability to retain the independent agents and distributors who market our products; our ability to attract, retain and develop the highly skilled employees we need to support our business; the effect of mergers and acquisitions on our relationships with customers, suppliers and lenders and on our operating results and businesses generally; a determination by the IRS that the distribution or certain related transactions should be treated as taxable transactions; expected financing transactions undertaken in connection with the separation and risks associated with additional indebtedness; the impact of the separation on our businesses and the risk that the businesses will not be separated successfully or such separation may be more difficult, time-consuming and/or costly than expected, which could impact our relationships with customers, suppliers, employees and other business counterparties; restrictions on activities following the distribution in order to preserve the tax-free treatment of the distribution; the ability to form and implement alliances; changes in tax obligations arising from tax reform measures, including EU rules on state aid, or examinations by tax authorities; product liability, intellectual property and commercial litigation losses; changes in general industry and market conditions, including domestic and international growth rates; changes in general domestic and international economic conditions, including interest rate and currency exchange rate fluctuations; and the impact of the ongoing financial and political uncertainty on countries in the Euro zone on the ability to collect accounts receivable in affected countries.

See also the section entitled “Risk Factors” for further discussion of certain risks and uncertainties that could cause actual results and events to differ materially from the forward-looking statements. Readers of this information statement are cautioned not to rely on these forward-looking statements, since there can be no assurance that these forward-looking statements will prove to be accurate. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This cautionary note is applicable to all forward-looking statements contained in this information statement.

THE SEPARATION AND DISTRIBUTION

Overview

On February 5, 2021, Zimmer Biomet announced its intention to separate its spine and dental businesses from its core orthopedic businesses. Zimmer Biomet intends to effect the separation through a *pro rata* distribution of approximately 80.3 percent of the outstanding shares of common stock of a new entity, ZimVie. ZimVie was formed to hold the assets and liabilities associated with the spine and dental businesses of Zimmer Biomet. Following the distribution, Zimmer Biomet stockholders will directly own approximately 80.3 percent of the outstanding shares of ZimVie common stock, and ZimVie will be a separate public company from Zimmer Biomet. Zimmer Biomet will retain approximately 19.7 percent of the outstanding shares of ZimVie common stock following the distribution. Prior to completing the separation, Zimmer Biomet may adjust the percentage of ZimVie common stock to be distributed to Zimmer Biomet stockholders and retained by Zimmer Biomet in response to market and other factors. The number of shares of Zimmer Biomet common stock you own will not change as a result of the separation.

On [●], 2022, the Zimmer Biomet board of directors approved the distribution of ZimVie's issued and outstanding shares of common stock, subject to the satisfaction or waiver of the conditions to the distribution as described in this information statement.

At 12:01 a.m., Eastern Time, on [●], 2022, the distribution date, we currently anticipate that each Zimmer Biomet stockholder will receive one share of ZimVie common stock for every ten shares of Zimmer Biomet common stock held as of the close of business on the record date for the distribution, as described below. Zimmer Biomet stockholders will receive cash in lieu of any fractional shares of ZimVie common stock that they would have received after application of this ratio. Zimmer Biomet stockholders will not be required to make any payment, surrender or exchange their shares of Zimmer Biomet common stock or take any other action to receive their shares of ZimVie common stock in the distribution. The distribution of ZimVie common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see the section entitled "— Conditions to the Distribution."

Reasons for the Separation

The Zimmer Biomet board of directors determined that the separation of Zimmer Biomet's spine and dental businesses from its core orthopedic businesses would be in the best interests of Zimmer Biomet and its stockholders and approved the separation. A wide variety of factors were considered by the Zimmer Biomet board of directors in evaluating the separation. Among other things, the Zimmer Biomet board of directors considered the following potential benefits of the separation:

- *Distinct investment identity.* The separation will allow investors to separately value Zimmer Biomet and ZimVie based on their distinct investment identities. The separation will provide each company with a compelling financial profile that more accurately reflects the strengths and opportunities of each business. It will further enable investors to evaluate the merits, strategy, performance, and future prospects of each company's respective business and to invest in each company separately based on these distinct characteristics. The separation may attract new investors who may not have properly assessed the value of the spine and dental businesses relative to the value they are currently accorded as part of Zimmer Biomet.
- *Enhanced strategic and management focus.* The separation will allow Zimmer Biomet and us to more effectively pursue our distinct operating priorities and strategies and will enable the management of both companies to pursue unique opportunities for long-term growth and profitability. The separation will reduce complexity and improve operating efficiency. Our management will be able to focus exclusively on ZimVie's businesses, while the management of Zimmer Biomet will be dedicated to growing its core orthopedic businesses through its commitment to innovation.

- *Growth opportunities.* The separation will provide greater opportunities for each company to grow organically and pursue value-enhancing acquisitions. Each company will have the flexibility to develop a growth strategy that capitalizes on its distinct strengths and is well-suited for the available opportunity set in its specific market. The separation will allow Zimmer Biomet to be better positioned to shift its portfolio mix to higher-growth markets. The separation will allow ZimVie flexibility to pursue multiple avenues to accelerate growth and operating margins, as well as allow us to access untapped revenue potential from growing, underpenetrated global markets. We believe that our broad commercial footprint supported by a global infrastructure will support this growth. The separation will position ZimVie to commercialize key new product launches and existing product offerings with a focused execution strategy for each geographic region in which we operate.
- *More efficient allocation of capital.* The separation will permit each company to concentrate its financial resources solely on its own operations, providing greater flexibility to invest capital in its business at a time and in a manner appropriate for its distinct strategy and business needs without having to compete with the other for investment capital. We believe this will facilitate a more efficient allocation of capital based on each company's profitability, cash flow and growth opportunities and allow each company to pursue an optimal mix of return of capital to stockholders, reinvestment in leading-edge technology, and value-enhancing acquisition opportunities. Zimmer Biomet is expected to maintain its capital allocation priorities while continuing to invest in innovation and execute tuck-in acquisitions in attractive, higher growth markets. ZimVie is expected to benefit from free cash flow diversification and a capital structure supportive of innovation and investment. We believe ZimVie will thrive as an independent company with prioritized capital allocation to pursue strategic growth opportunities and investment strategies in the large and growing spine and dental markets.
- *Direct access to capital markets.* The separation will create independent equity structures that will afford us direct access to the capital markets and will facilitate our ability to execute future acquisitions utilizing ZimVie common stock. As a result, each company will have more flexibility to capitalize on its unique growth opportunities.
- *Alignment of incentives with performance objectives.* The separation will facilitate incentive compensation arrangements for employees more directly tied to the performance of each company's business, and enhance employee hiring and retention by, among other things, improving the alignment of management and employee incentives with performance and growth objectives.

Neither we nor Zimmer Biomet can assure you that, following the separation, any of the benefits described above or otherwise will be realized to the extent anticipated or at all.

The Zimmer Biomet board of directors also considered a number of potentially unfavorable factors in evaluating the separation, including the potential loss of synergies, time and effort required to be dedicated to this transaction by Zimmer Biomet's and our management and the potential diversion of their attention away from their respective businesses, increased costs resulting from operating as a separate public company, one-time costs of the separation, the risk of not realizing the anticipated benefits of the separation and limitations placed upon us as a result of the tax matters agreement that Zimmer Biomet and we will enter into prior to the distribution. The Zimmer Biomet board of directors concluded that the potential benefits of the separation significantly outweighed these negative factors.

Reasons for Zimmer Biomet's Retention of Approximately 19.7 Percent of ZimVie Common Stock

In considering the appropriate structure for the separation, Zimmer Biomet determined that, immediately after the distribution becomes effective, Zimmer Biomet will own approximately 19.7 percent of the outstanding shares of ZimVie common stock. The retention of ZimVie common stock strengthens Zimmer Biomet's balance sheet by providing Zimmer Biomet a security that can be exchanged to accelerate debt reduction, thereby facilitating an appropriate capital structure consistent with Zimmer Biomet's investment grade rating and provide financial

flexibility necessary for Zimmer Biomet to execute its growth strategy and fund capital expenditures. Zimmer Biomet currently intends to dispose of all of the ZimVie common stock that it retains after the distribution by exchanging such ZimVie common stock for Zimmer Biomet debt held by one or more investment banks. To the extent Zimmer Biomet holds any ZimVie common stock thereafter, Zimmer Biomet will dispose of such stock as soon as disposition is warranted (but in no event later than five years after the distribution), consistent with its business purpose of creating independent companies with separate capital structures and maintaining its investment grade credit rating. Following such debt-for-equity exchange, it is anticipated that the investment banks will sell such shares to public investors in a pre-marketed equity offering. Following any such debt-for-equity exchange, it is anticipated that any creditors that are investment banks would sell such shares to public investors in a pre-marketed equity offering. We anticipate that ZimVie would benefit from increased equity research coverage in connection with such an offering.

Formation of ZimVie and Internal Reorganization

ZimVie was formed as a Delaware corporation on July 30, 2021 for the purpose of holding Zimmer Biomet's spine and dental businesses. As part of the plan to separate the spine and dental businesses from the remainder of its businesses, pursuant to the separation and distribution agreement that we and Zimmer Biomet will enter into prior to the distribution, Zimmer Biomet plans to transfer the equity interests of certain entities that operate the spine and dental businesses and the assets and liabilities of the spine and dental businesses to us prior to the distribution. Following the distribution, Zimmer Biomet will continue to own its core orthopedic businesses in knees; hips; sports medicine, extremities and trauma; and craniomaxillofacial and thoracic.

When and How You Will Receive the Distribution

With the assistance of Computershare, Zimmer Biomet expects to distribute approximately 80.3 percent of the outstanding shares of ZimVie common stock at 12:01 a.m., Eastern Time, on [●], 2022, the distribution date, to all holders of outstanding shares of Zimmer Biomet common stock as of the close of business on [●], 2022, the record date for the distribution. Computershare, which currently serves as the transfer agent and registrar for Zimmer Biomet common stock, will serve as the distribution agent in connection with the distribution and the transfer agent and registrar for ZimVie common stock.

If you own shares of Zimmer Biomet common stock as of the close of business on the record date for the distribution, the shares of ZimVie common stock that you will be entitled to receive in the distribution will be issued electronically, as of the distribution date, to you in direct registration form or to your broker, bank or other nominee on your behalf. If you are a registered holder, Computershare will then mail you a direct registration account statement that reflects your shares of ZimVie common stock. If you hold your shares through a broker, bank or other nominee, your broker, bank or other nominee will credit your account for the shares. Direct registration form refers to a method of recording share ownership when no physical share certificates are issued to stockholders, as is the case in this distribution. If you sell shares of Zimmer Biomet common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of ZimVie common stock in the distribution.

Most Zimmer Biomet stockholders hold their shares of Zimmer Biomet common stock through a broker, bank or other nominee. In such cases, the broker, bank or other nominee would be said to hold the shares in "street name" and ownership would be recorded on the broker's, bank's or other nominee's books. If you hold your shares of common stock through a broker, bank or other nominee, your broker, bank or other nominee will credit your account for shares of ZimVie common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares held in "street name," please contact your broker, bank or other nominee.

Transferability of Shares You Receive

Shares of ZimVie common stock distributed to holders in connection with the distribution will be transferable without registration under the Securities Act, except for shares received by persons who may be deemed to be our

affiliates. Persons who may be deemed to be our affiliates after the distribution generally include individuals or entities that control, are controlled by or are under common control with us, which may include certain of our executive officers, directors or principal stockholders. Securities held by our affiliates will be subject to resale restrictions under the Securities Act. Our affiliates will be permitted to sell shares of ZimVie common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

Number of Shares of ZimVie Common Stock You Will Receive

We currently anticipate that for every ten shares of Zimmer Biomet common stock that you own as of the close of business on the record date for the distribution, you will receive one share of ZimVie common stock on the distribution date. Zimmer Biomet will not distribute any fractional shares of ZimVie common stock to its stockholders. Instead, if you are a registered holder, Computershare, the distribution agent, will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) of the sales *pro rata* (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. The distribution agent, in its sole discretion, without any influence by Zimmer Biomet or us, will determine when, how, and through which broker-dealer and at what price to sell the whole shares. Any broker-dealer used by the distribution agent will not be an affiliate of either Zimmer Biomet or us. The distribution agent is not an affiliate of either Zimmer Biomet or us. Neither we nor Zimmer Biomet will be able to guarantee any minimum sale price in connection with the sale of these shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the payment made in lieu of fractional shares.

The aggregate net cash proceeds of these sales of fractional shares will be taxable for U.S. federal income tax purposes. See “Material U.S. Federal Income Tax Consequences” for an explanation of the material U.S. federal income tax consequences of the distribution. We estimate that it will take approximately two weeks from the distribution date for the distribution agent to complete the distributions of the aggregate net cash proceeds. If you hold your shares of Zimmer Biomet common stock through a broker, bank or other nominee, your broker, bank or other nominee will receive, on your behalf, your *pro rata* share of the aggregate net cash proceeds of the sales and will credit your account for your share of such proceeds.

Treatment of Equity-Based Compensation

In connection with the separation, Zimmer Biomet equity-based awards that are outstanding immediately prior to the separation and distribution and held by individuals who will serve as employees of ZimVie following the separation will be treated as follows:

Restricted Stock Units (“RSUs”). Each award of Zimmer Biomet RSUs held by an individual who will be an employee of ZimVie following the separation will be converted into an award of RSUs with respect to ZimVie common stock. The number of shares subject to each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original Zimmer Biomet award as measured immediately before and immediately after the separation. Such adjusted award will otherwise be subject to the same terms and conditions that applied to the original Zimmer Biomet award immediately prior to the separation.

Performance Restricted Stock Units (“PRSUs”). Each award of Zimmer Biomet PRSUs held by an individual who will be an employee of ZimVie following the separation will be converted into an award of RSUs with respect to ZimVie common stock, which will not be subject to performance conditions. The number of shares subject to each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original Zimmer Biomet award as measured immediately before and immediately after the separation. For PRSUs granted in 2020, a portion of the award attributable to the completed portion of the performance period (January 1, 2020 through the separation date) will convert into RSUs based upon payment at the threshold (50%) performance level, and the remainder based upon payment at the target (100%) performance level. For PRSUs granted in 2021, a portion of the

award attributable to the completed portion of the performance period (January 1, 2021 through the separation date) will convert into RSUs based upon payment at the 82.5% performance level and the remainder based upon payment at the target (100%) performance level. Such adjusted awards will otherwise be subject to the same terms and conditions that applied to the original Zimmer Biomet award immediately prior to the separation.

Stock Options. Each award of Zimmer Biomet stock options held by an individual who will be an employee of ZimVie following the separation will be converted into an award of stock options with respect to ZimVie common stock. The exercise price of, and number of shares subject to, each such award will be adjusted in a manner intended to preserve the aggregate intrinsic value of the original Zimmer Biomet award as measured immediately before and immediately after the separation. Such adjusted award will otherwise be subject to the same terms and conditions that applied to the original Zimmer Biomet award immediately prior to the separation.

The conversion of such awards in connection with the separation will be based on relative market values of Zimmer Biomet and ZimVie common stock, so the precise number of shares of ZimVie common stock to which the converted awards will relate will not be known until the distribution date or shortly thereafter.

Results of the Distribution

After the distribution, we will be an independent, publicly traded company. The actual number of shares to be distributed will be determined at the close of business on the record date for the distribution. The distribution will not affect the number of outstanding shares of Zimmer Biomet common stock or any rights of Zimmer Biomet stockholders. Zimmer Biomet will not distribute any fractional shares of ZimVie common stock.

We will enter into a separation agreement and other related agreements with Zimmer Biomet before the distribution to effect the separation and provide a framework for our relationship with Zimmer Biomet after the separation. These agreements will provide for the allocation between Zimmer Biomet and us of assets, liabilities and obligations (including investments, property, employee benefits and tax-related assets and liabilities) associated with the spine and dental businesses and will govern the relationship between Zimmer Biomet and us after the separation. For a more detailed description of these agreements, see the section entitled “Certain Relationships and Related Person Transactions.”

Market for ZimVie Common Stock

There is currently no public trading market for ZimVie common stock. We have applied to list the shares of ZimVie common stock on Nasdaq under the symbol “ZIMV.” We have not and will not set the initial price of ZimVie common stock. The initial price will be established by the public markets.

We cannot predict the price at which shares of ZimVie common stock will trade after the distribution. In fact, the combined trading prices, after the distribution, of the shares of ZimVie common stock that each Zimmer Biomet stockholder will receive in the distribution and shares of Zimmer Biomet common stock held at the record date for the distribution may not equal the “regular-way” trading price of shares of Zimmer Biomet common stock immediately prior to the distribution. The price at which shares of ZimVie common stock trades may fluctuate significantly, particularly until an orderly public market develops. Trading prices for shares of ZimVie common stock will be determined in the public markets and may be influenced by many factors. For additional information, see the section entitled “Risk Factors—Risks Related to ZimVie Common Stock.”

Incurrence of Debt

In connection with the spin-off, ZimVie expects to incur new third-party borrowings of approximately $561 million. Approximately $501 million of the proceeds from such indebtedness will be transferred to Zimmer Biomet on or prior to the distribution (subject to adjustment based upon estimated cash and working capital). We currently expect to incur this indebtedness through $561 million of Term Loan A borrowings. In addition, our

new credit facility includes a $175 million revolving credit facility, which we expect to be undrawn immediately following the distribution. For more information on ZimVie's anticipated capital structure and the indebtedness we expect to incur in connection with the spin-off, see "Unaudited Pro Forma Condensed Combined Financial Statements" and "Description of Material Indebtedness."

Trading Between the Record Date and Distribution Date

Beginning on or about the record date for the distribution and continuing up to and including the distribution date, Zimmer Biomet expects that there will be two markets for shares of Zimmer Biomet common stock: a "regular-way" market and an "ex-distribution" market. Shares of Zimmer Biomet common stock that trade on the "regular-way" market will trade with an entitlement to shares of ZimVie common stock to be distributed pursuant to the separation. Shares of Zimmer Biomet common stock that trade on the "ex-distribution" market will trade without an entitlement to shares of ZimVie common stock to be distributed pursuant to the distribution. Therefore, if you sell shares of Zimmer Biomet common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of ZimVie common stock in the distribution. If you own shares of Zimmer Biomet common stock as of the close of business on the record date and sell those shares on the "ex-distribution" market up to and including the distribution date, you will receive the shares of ZimVie common stock that you are entitled to receive pursuant to your ownership of shares of Zimmer Biomet common stock as of the record date.

Furthermore, beginning on or about the record date for the distribution and continuing up to and including the distribution date, we expect that there will be a "when-issued" market in shares of ZimVie common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of ZimVie common stock that will be distributed to holders of shares of Zimmer Biomet common stock on the distribution date. If you own shares of Zimmer Biomet common stock as of the close of business on the record date for the distribution, you would be entitled to shares of ZimVie common stock distributed pursuant to the distribution. You may trade this entitlement to shares of ZimVie common stock, without the shares of Zimmer Biomet common stock you own, on the "when-issued" market, but your transaction will not settle until after the distribution date. On or about the first trading day following the distribution, "when-issued" trading with respect to shares of ZimVie common stock will end, and "regular-way" trading will begin.

Conditions to the Distribution

The distribution will be effective at 12:01 a.m., Eastern Time, on **[●]**, 2022, which is the distribution date, *provided that* the conditions set forth in the separation agreement have been satisfied (or waived by Zimmer Biomet in its sole and absolute discretion), including, among others:

- the transfer of assets and liabilities from Zimmer Biomet to us shall be completed in accordance with the separation and distribution agreement that Zimmer Biomet and we will enter into prior to the distribution;
- Zimmer Biomet shall have received a private letter ruling from the IRS, satisfactory to the Zimmer Biomet board of directors, regarding certain U.S. federal income tax matters relating to the separation and distribution, and such private letter ruling remains in force;
- Zimmer Biomet shall have received an opinion from White & Case LLP satisfactory to the Zimmer Biomet board of directors, regarding certain U.S. federal income tax matters relating to the separation and distribution;
- the Cash Distribution from ZimVie to Zimmer Biomet shall have been made as partial consideration for the contribution of assets in connection with the separation;
- the SEC shall have declared effective our registration statement of which this information statement forms a part, no order suspending the effectiveness thereof shall be in effect, no proceedings for such

purposes shall have been instituted or threatened by the SEC, and this information statement shall have been made available to Zimmer Biomet stockholders;

- all actions and filings necessary or advisable under applicable U.S. federal, U.S. state or other securities laws or blue sky laws shall have been taken or made and, where applicable, have become effective or been accepted by the applicable governmental authority;
- the Zimmer Biomet board of directors shall have declared the distribution and approved all related transactions (and such declaration or approval shall not have been withdrawn);
- any required governmental approvals necessary to consummate the distribution and the transactions contemplated by the separation agreement and the ancillary agreements shall have been obtained and be in full force and effect;
- the transaction agreements relating to the separation that Zimmer Biomet and we will enter into prior to the distribution shall have been duly executed and delivered by the parties;
- no order, injunction, or decree issued by any court or governmental authority of competent jurisdiction, or other legal restraint or prohibition preventing the consummation of the separation, distribution or any of the related transactions, shall be pending or in effect;
- the shares of ZimVie common stock to be distributed shall have been accepted for listing on Nasdaq, subject to official notice of distribution; and
- no other event or development shall exist or have occurred that, in the judgment of Zimmer Biomet's board of directors, in its sole discretion, makes it inadvisable to effect the separation, distribution and other related transactions.

We cannot assure you that any or all of these conditions will be met. Zimmer Biomet will have sole and absolute discretion to waive any of the conditions to the distribution. In addition, Zimmer Biomet will have the sole and absolute discretion to determine (and change) the terms of, and whether to proceed with, the distribution and, to the extent it determines to so proceed, to determine the record date for the distribution, the distribution date and the distribution ratio, as well as to reduce the amount of outstanding shares of ZimVie common stock that it will retain, if any, following the distribution. Zimmer Biomet may rescind or delay its declaration of the distribution even after the record date for the distribution. Zimmer Biomet does not intend to notify its stockholders of any modifications to the terms of the separation and distribution that, in the judgment of its board of directors, are not material. For example, the Zimmer Biomet board of directors might consider material such matters as significant changes to the distribution ratio, the assets to be contributed or the liabilities to be assumed in the separation. To the extent that the Zimmer Biomet board of directors determines that any modifications by Zimmer Biomet materially change the material terms of the separation and distribution, Zimmer Biomet will notify Zimmer Biomet stockholders in a manner reasonably calculated to inform them about the modification as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K, or circulating a supplement to this information statement.

Regulatory Approval

Our registration statement on Form 10, of which this information statement forms a part, must become effective prior to the distribution, and shares of ZimVie common stock to be distributed must have been approved for listing on Nasdaq, subject to official notice of distribution.

No Appraisal Rights

Under the DGCL, Zimmer Biomet stockholders will not have appraisal rights in connection with the distribution.

DIVIDEND POLICY

We currently expect to retain all available funds and any future earnings for use in the operation and expansion of our business. We do not currently anticipate paying dividends on ZimVie common stock following the distribution. Any declaration and payment of future dividends to holders of ZimVie common stock will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our board of directors deems relevant. The terms of our indebtedness may restrict us from paying dividends, or may restrict our subsidiaries from paying dividends to us. Under Delaware law, dividends may be payable only out of surplus, which is net assets minus liabilities and capital, or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. For additional information, see the sections entitled “Description of Material Indebtedness” and “Description of Our Capital Stock—Common Stock.”

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2021:

- on a historical basis; and
- on a *pro forma* basis to reflect the adjustments included in our unaudited *pro forma* combined financial information.

The information below is not necessarily indicative of what our capitalization would have been had the separation, distribution and related transactions been completed as of September 30, 2021. In addition, it is not indicative of our future capitalization.

This table should be read in conjunction with the "Unaudited Pro Forma Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Description of Material Indebtedness" sections of this information statement and our unaudited condensed combined financial statements and notes thereto included in the "Index to Combined Financial Statements" of this information statement.

	As of September 30, 2021	
(In millions)	**Historical**	**Pro Forma**
Cash and cash equivalents	$ 24.1	$ 76.0
Capitalization:		
Debt:		
Current portion of debt due to parent	$ 33.0	$ —
Non-current portion of debt due to parent	$ 4.9	$ —
Term Loan	$ —	$ 555.4
Total debt	$ 37.9	$ 555.4
Equity:		
Net parent company investment	$ 1,431.7	$ —
Accumulated other comprehensive loss	$ (29.4)	$ (29.4)
Common Stock, $0.01 par value; 150.0 million shares authorized; 26.1 million shares issued and outstanding on a pro forma basis	$ —	$ 0.3
Additional paid-in capital	$ —	$ 903.8
Total equity	$ 1,402.3	$ 874.7
Total capitalization	$ 1,440.2	$ 1,430.1

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited *pro forma combined financial information consists of unaudited pro forma combined statement of earnings for the nine months ended September 30, 2021 and year ended December 31, 2020, and an unaudited pro forma combined balance sheet as of September 30, 2021. The unaudited pro forma combined financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Material Indebtedness" and the historical combined annual financial information and corresponding notes thereto included elsewhere in this information statement. The unaudited pro forma combined financial information reflects certain known impacts as a result of our separation from Zimmer Biomet. In May 2020, the SEC adopted Release No.33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," or the "Final Rule." The Final Rule became effective on January 1, 2021 and the unaudited pro forma combined financial information herein is presented in accordance therewith.*

The Unaudited Pro Forma Combined Financial Information presented below have been derived from our historical combined financial statements included in this information statement. While the historical combined financial statements reflect the historical financial results of Zimmer Biomet's spine and dental businesses, these *pro forma* statements give effect to the separation of those businesses into an independent, publicly traded company. The unaudited *pro forma* combined statement of earnings for the nine months ended September 30, 2021 and year ended December 31, 2020 and the unaudited *pro forma* combined balance sheet as of September 30, 2021 have been prepared to reflect adjustments to Zimmer Biomet's spine and dental businesses' historical combined financial information for the following transaction and autonomous entity adjustments:

- the distribution of 80 percent of our issued and outstanding common stock by Zimmer Biomet in connection with the separation;
- the effect of our anticipated post-separation capital structure, which includes (1) the incurrence of approximately $561 million in additional indebtedness (prior to issuance costs), and the distribution of approximately $504 million of cash to Zimmer Biomet (reflecting the distribution of approximately $501 million from the financing proceeds as described in, and containing certain of the adjustments referenced in, this information statement), and (2) an assumed minimum post-separation cash and cash equivalents balance of $76.0 million;
- the incremental cost reductions ZimVie expects to benefit from in assigning a lease to Zimmer Biomet;
- the effect of the transition manufacturing and supply agreement and the transition services agreement with Zimmer Biomet; and
- the impact of the aforementioned adjustments on our income tax expense.

The *pro forma* adjustments are based on available information and assumptions that management believes are reasonable given the information that is currently available. The unaudited *pro forma* combined financial information is for illustrative and informational purposes only and is not intended to represent or be indicative of what our financial condition or results of operations would have been had we operated historically as a company independent of Zimmer Biomet or if the separation and the distribution had occurred on the dates indicated. The unaudited *pro forma* combined financial information also should not be considered representative of our future combined financial condition or combined results of operations. The audited annual combined financial statements of the spine and dental businesses of Zimmer Biomet Holdings, Inc. have been derived from Zimmer Biomet's historical accounting records and reflect certain allocation of expenses. All of the allocations and estimates in such financial statements are based on assumptions that Zimmer Biomet's management believes are reasonable. The historical combined financial statements do not necessarily represent the financial position or results of operations of the spine and dental businesses of Zimmer Biomet Holdings, Inc. had they been operated as a standalone company during the periods or at the dates presented. As a result, autonomous entity adjustments have been reflected in the *pro forma* combined financial information.

The unaudited *pro forma* combined financial information should be read in conjunction with our audited historical combined financial statements, "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement.

Unaudited Pro Forma Combined Statement of Earnings

	Nine Months Ended September 30, 2021					
($ in millions except per share data)	**Historical**	**Transaction Accounting Adjustments**		**Autonomous Entity Adjustments**		**Pro Forma**
Net Sales						
Third party, net	$ 748.2	$ 0.4	(a)	$ —		$748.6
Related party, net	4.8	(0.4)	(a)	—		4.4
Total Net Sales	753.0	—		—		753.0
Cost of products sold, excluding intangible asset amortization	256.4	0.1	(a)	1.8	(b)	258.3
Related party cost of products sold, excluding intangible asset amortization	3.5	(0.1)	(a)	—		3.4
Intangible asset amortization	65.0	—		—		65.0
Research and development	43.9	—		—		43.9
Selling, general and administrative	405.1	(2.7)	(j)	—	(c)	402.4
Goodwill impairment	—	—		—		—
Restructuring	2.3	—		—		2.3
Acquisitions, integration, divestiture and related	12.0	—		—		12.0
Operating expenses	788.2	(2.7)		1.8		787.3
Operating Loss	**(35.2)**	**2.7**		**(1.8)**		**(34.3)**
Other expense, net	(0.4)	—		—		(0.4)
Interest expense, net	(0.3)	(9.3)	(d) ,(i)	—		(9.6)
Loss before income taxes	(35.9)	(6.6)		(1.8)		(44.3)
Benefit for income taxes	(1.3)	(1.5)	(e)	(0.4)	(e)	(3.2)
Net Loss of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$ (34.6)	$ (5.1)		$ (1.4)		$ (41.1)
Loss Per Common Share						
Basic					(f)	$ (1.57)
Diluted					(g)	$ (1.57)
Weighted Average Common Shares Outstanding						
Basic					(f)	26.1
Diluted					(g)	26.1

See accompanying notes to unaudited pro forma combined financial information.

($ in millions except per share data)	Year Ended December 31, 2020 Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments		Pro Forma
Net Sales						
Third party, net	$ 896.9	$ 0.6	(a)	$ —		$ 897.5
Related party, net	15.5	(0.6)	(a)	—		14.9
Total Net Sales	912.4	—		—		912.4
Cost of products sold, excluding intangible asset amortization	302.7	0.2	(a)	2.6	(b)	305.5
Related party cost of products sold, excluding intangible asset amortization	10.2	(0.2)	(a)	—		10.0
Intangible asset amortization	85.5	—		—		85.5
Research and development	49.2	—		—		49.2
Selling, general and administrative	533.5	(3.2)	(j)	—	(c)	530.3
Goodwill impairment	142.0	—		—		142.0
Restructuring	9.7	—		—		9.7
Acquisitions, integration, divestiture and related	2.2	—		—		2.2
Operating expenses	1,135.0	(3.2)		2.6		1,134.4
Operating Loss	**(222.6)**	**3.2**		**(2.6)**		**(222.0)**
Other income, net	1.6	—		—		1.6
Interest expense, net	(0.3)	(12.8)	(d), (i)	—		(13.1)
Loss before income taxes	(221.3)	(9.6)		(2.6)		(233.5)
Benefit for income taxes	(42.3)	(2.3)	(e)	(0.6)	(e)	(45.2)
Net Loss	(179.0)	(7.3)		(2.0)		(188.3)
Less: Net loss attributable to noncontrolling interest	0.1	—		—		0.1
Net Loss of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$ (179.1)	$ (7.3)		$ (2.0)		$ (188.4)
Loss Per Common Share						
Basic					(f)	$ (7.22)
Diluted					(g)	$ (7.22)
Weighted Average Common Shares Outstanding						
Basic					(f)	26.1
Diluted					(g)	26.1

See accompanying notes to unaudited pro forma financial information.

Unaudited Pro Forma Combined Balance Sheet

($ in millions)	As of September 30, 2021 Historical	Transaction Accounting Adjustments		Pro Forma
ASSETS				
Current Assets				
Cash and cash equivalents	$ 24.1	$ 51.9	(h)	$ 76.0
Accounts receivable, less allowance for credit losses	170.2	—		170.2
Inventories	274.7	—		274.7
Prepaid expenses and other current assets	22.7	(12.0)	(e), (j)	10.7
Total Current Assets	491.7	39.9		531.6
Property, plant and equipment, net	180.7	—		180.7
Goodwill	269.3	—		269.3
Intangible assets, net	797.4	—		797.4
Other assets	69.8	(18.6)	(e), (j)	51.2
Total Assets	$1,808.9	$ 21.3		$ 1,830.2
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	$ 40.5	$ —		$ 40.5
Income taxes payable	6.7	2.4	(e)	9.1
Other current liabilities	121.5	(6.1)	(i), (j)	115.4
Current portion of debt due to parent	33.0	(33.0)	(i)	—
Total Current Liabilities	201.7	(36.7)		165.0
Deferred income taxes, net	133.2	50.0	(l)	183.2
Lease liability	46.1	(14.9)	(j)	31.2
Other long-term liabilities	20.7	—		20.7
Long-term debt	—	555.4	(d)	555.4
Non-current portion of debt due to parent	4.9	(4.9)	(i)	—
Total Liabilities	406.6	548.9		955.5
Equity				
Net parent company investment	1,431.7	(1,431.7)	(k)	—
Accumulated other comprehensive loss	(29.4)	—		(29.4)
Common Stock, $0.01 par value; $150.0 million shares authorized; 26.1 million shares issued and outstanding on a pro forma basis	—	0.3	(k)	0.3
Additional paid-in capital	—	903.8	(k)	903.8
Total Equity	1,402.3	(527.6)		874.7
Total Liabilities and Equity	$1,808.9	$ 21.3		$ 1,830.2

See accompanying notes to unaudited pro forma financial information.

(a) Reflects the reclassification of net sales and cost of products sold related to certain products between ZimVie and Zimmer Biomet. The historical combined financial statements reflect sales and cost of products sold for such products as related party pursuant to pre-existing intercompany arrangements between ZimVie and Zimmer Biomet. Following the separation, such products will be sold by ZimVie to its third-party customers and Zimmer Biomet will no longer sell the product.

(b) Reflects the effect of the transition manufacturing and supply agreement and the reverse transition manufacturing and supply agreement ("MSAs") that ZimVie and Zimmer Biomet will enter into prior to the Separation. The historical combined statement of earnings reflects certain net sales and cost of products sold pursuant to pre-existing intercompany arrangements between ZimVie and Zimmer Biomet. The adjustment for MSAs is not expected to have a material impact on pro forma related party net sales from ZimVie to Zimmer Biomet for the year ended December 31, 2020 and the nine months ended September 30, 2021 as the historical related party net sales reflect pricing terms that are materially consistent to those set forth in the MSAs. The cost of products sold adjustment reflects the price adjustments related to historical transfers from Zimmer Biomet to ZimVie under the pricing terms of the MSAs. The MSAs are being drafted and will be completed prior to the separation. The adjustments have been calculated based upon the terms of the latest draft agreements and are subject to change. Any changes to the final terms are not expected to be significant.

(c) In connection with the separation, ZimVie will enter into a transition services agreement ("TSA") with Zimmer Biomet whereby Zimmer Biomet will continue to provide ZimVie support functional services at a cost to ZimVie, including finance, information technology and infrastructure. The adjustment for the TSA is not expected to have a material impact on pro forma net income for the year ended December 31, 2020 and the nine months ended September 30, 2021 as the historical combined statements of earnings for those periods already reflect allocations of costs for these services that are not expected to be materially different under the TSA. The TSA is being drafted and will be completed prior to the separation. The estimate that these adjustments will not have a material impact is based upon the terms of the latest draft agreements and are subject to change. Any changes to the final terms are not expected to be significant.

(d) ZimVie has a credit agreement with term loan availability of $595 million that will be drawn under concurrently with the Separation, and ZimVie intends to repay $34 million of such term loan on or about two business days thereafter. The terms of the credit agreement have been reflected in our unaudited pro forma adjustments as discussed below.

The unaudited pro forma combined balance sheet reflects indebtedness of approximately $561.0 million (reflecting the repayment of $34 million described above), consisting of a term loan, which will be issued in connection with the Separation. We anticipate debt issuance costs of approximately $5.6 million, resulting in a net debt adjustment of $555.4 million. ZimVie plans to distribute approximately $503.5 million of the proceeds received from the issuance of debt to Zimmer Biomet in connection with the Separation (reflecting the distribution of approximately $501 million from the financing proceeds as described in, and containing certain of the adjustments referenced in, this information statement), which would provide ZimVie approximately $76.0 million of cash at Separation under the terms of the draft separation agreement, as discussed further in Note (h) below.

In addition, on the distribution date, a secured, unsubordinated 5-year revolving credit facility that provides for the availability of $175.0 million of borrowings will be available to ZimVie. No adjustment has been made to the unaudited pro forma combined financial information to reflect a draw down on the revolving credit facility. However, the undrawn facility fee for the availability of this facility has been incorporated into the interest expense transaction accounting adjustment.

The term loan will allow ZimVie to elect interest periods of one, three or six-months (or, if agreed by all relevant lenders and the administrative agent, any other period) for the term borrowings at the Term SOFR rate plus a spread. Repayments are required to be made quarterly at the end of March, June, September and December, with final maturity at the fifth anniversary of the distribution date. We have calculated interest expense based upon electing a three-month term for all periods starting on January 1, 2020 at the

January 14, 2022 Term SOFR rate and the terms of our loan, including the spread, undrawn facility fee, debt issuance costs and required minimum principal repayments. This resulted in an effective interest rate of approximately 2.37 percent and 2.35 percent in the year ended December 31, 2020 and nine months ended September 30, 2021, respectively. The unaudited pro forma combined statement of earnings reflects estimated interest expense of $13.1 million and $9.6 million in the year ended December 31, 2020 and nine months ended September 30, 2021, respectively.

If we assumed all borrowings occurred at the one-month Term SOFR rate as of January 14, 2022, interest expense would have decreased by $0.7 million and $0.5 million in the year ended December 31, 2020 and nine months ended September 30, 2021, respectively. If we assumed all borrowings occurred at the six-month Term SOFR rate as of January 14, 2022, interest expense would have increased by $1.3 million and $1.0 million in the year ended December 31, 2020 and nine months ended September 30, 2021, respectively. A 1/8 percent change to the annual interest rate based upon the three-month term we utilized in the pro forma adjustment would change interest expense by $0.7 million and $0.5 million for the year ended December 31, 2020 and nine months ended September 30, 2021, respectively.

(e) Reflects the tax effects of the transaction accounting and autonomous entity adjustments at the applicable statutory income tax rates. Since the adjustments are primarily expected to be incurred in the U.S., the statutory tax rate applied is approximately 24 percent.

In connection with the preparation of the historical combined financial statements, the benefit for income taxes was calculated based upon the income and losses recognized for the historical combined statement of earnings. However, the historical combined financial statements basis of presentation differs from the income tax-related assets and liabilities recognized for the Zimmer Biomet consolidated financial statements. We made adjustments to reflect the assets and liabilities recognized on the Zimmer Biomet consolidated financial statements that will be legally transferred under the draft separation agreement. These adjustments resulted in a decrease of $11.0 million to prepaid expenses and other current assets, a decrease of $2.7 million to other assets and an increase of $2.4 million to income taxes payable.

(f) The number of ZimVie shares used to compute basic loss per share for the nine months ended September 30, 2021 and year ended December 31, 2020 is based on the number of shares of ZimVie common stock assumed to be outstanding on those dates, assuming the anticipated distribution ratio of one share of ZimVie common stock for every ten shares of Zimmer Biomet common stock outstanding. The assumed number of outstanding shares of common stock is based on the number of Zimmer Biomet common shares of approximately 209.2 million outstanding as of January 20, 2022, which equates to approximately 20.9 million ZimVie shares, and approximately 5.2 million additional shares of ZimVie common stock retained by Zimmer Biomet.

(g) The number of shares used to compute diluted loss per share is the same as the basic shares of ZimVie common stock as described in Note (f) above, due to a net loss reported in the unaudited pro forma combined statement of earnings for the nine months ended September 30, 2021 and year ended December 31, 2020.

(h) An adjustment of $51.9 million has been made to reflect $76.0 million of cash at the balance sheet date, which is the approximate amount of cash ZimVie will have following the completion of the Separation. The draft separation agreement contemplates that ZimVie will be provided $60.0 million of cash at the separation date, subject to further adjustments for working capital and additional funds for certain capital projects that have not been completed on that date. At this time, we estimate ZimVie will receive an additional $7.0 million related to inventory that Zimvie will purchase from Zimmer Biomet for cash at certain locations, which will be subject to adjustment following the separation date for the final amount that existed on that day. Additionally, we estimate a range of $5.0 million to $15.0 million that Zimmer Biomet will provide ZimVie to complete certain capital projects after the separation. We have selected $9.0 million as our best estimate to be used in this pro forma adjustment. The adjustment of $51.9 million represents $561.0 million of borrowings expected to be incurred in connection with the Separation, net of approximately $5.6 million of debt issuance costs that will be paid and $503.5 million expected to be distributed to Zimmer Biomet, which includes settlement of intercompany debt outlined in Note (i) below.

(i) Reflects the settlement of intercompany debt between ZimVie and Zimmer Biomet per the terms of the draft separation agreement, including $33.0 million of current portion of debt due to parent, $4.9 million of non-current portion of debt due to parent and $2.4 million of accrued interest at the balance sheet date, as well as the elimination of the related interest expense of $0.3 million in both the year ended December 31, 2020 and nine months ended September 30, 2021, pursuant to the draft separation agreement. The amounts are comprised principally of intercompany financing transactions stemming from ZimVie's and Zimmer Biomet's shared cash management and treasury program. Following the separation, ZimVie will perform its own cash management and treasury functions.

(j) In connection with the separation, Zimmer Biomet will contractually be assigned a lease that was previously with a ZimVie subsidiary. Subsequently, a short-term sublease agreement for a portion of the space in this facility will be entered into between ZimVie and Zimmer Biomet. Although the sublease will provide optional extension terms to ZimVie, we estimate the initial term of the sublease to be six months and, for purposes of the unaudited pro forma combined financial information, we have assumed that no extensions beyond that period will be exercised. ZimVie will not recognize a right-of-use asset nor a lease liability for this sublease given the initial term is twelve months or less. Adjustments in the amount of $15.9 million to other assets, $2.2 million to other current liabilities and $14.9 million to lease liability at the balance sheet date were recorded to reflect the transfer of this lease from ZimVie to Zimmer Biomet. ZimVie incurred $3.7 million and $2.7 million of rent expense associated with the leased facility, which is included in the historical combined statement of earnings for the year ended December 31, 2020 and nine months ended September 30, 2021, respectively. The expense associated with the short-term sublease agreements is estimated to be $0.5 million for the year ended December 31, 2020 and nothing for the nine months ended September 30, 2021 since it is only a six-month sublease. The resulting difference in expense of $3.2 million and $2.7 million was recorded to decrease selling, general and administrative expense for year ended December 31, 2020 and nine months ended September 30, 2021, respectively, in the unaudited pro forma combined statement of earnings.

In connection with the draft separation agreement, certain employee benefits recorded in other current liabilities of $1.5 million and other contract-related assets recognized in prepaid expenses and other current assets of $1.0 million that were included in the combined balance sheet will not transfer to ZimVie at separation. Therefore, adjustments have been made to eliminate these amounts.

(k) Represents the reclassification of Zimmer Biomet's net investment in ZimVie, including other pro forma adjustments, into Common stock, par value $0.01, and additional paid-in capital to reflect the number of shares of ZimVie common stock expected to be outstanding at the distribution date. The assumed number of outstanding shares of common stock is based on the number of shares of Zimmer Biomet common stock of approximately 209.2 million outstanding as of January 20, 2022 and an assumed pro-rata distribution ratio of one share of ZimVie common stock for every ten shares of Zimmer Biomet common stock, which equates to approximately 20.9 million ZimVie shares, plus approximately 5.2 million additional shares of ZimVie common stock retained by Zimmer Biomet.

(l) Prior to the Separation, certain legal steps will be required to execute the Separation which will result in different tax basis values on certain assets. These changes in tax basis will result in an increase to ZimVie's deferred tax liabilities by $50.0 million.

BUSINESS

Overview

We are a leading medical technology company dedicated to enhancing the quality of life for spine and dental patients worldwide. We develop, manufacture, and market a comprehensive portfolio of products and solutions designed to treat a wide range of spine pathologies and support dental tooth replacement and restoration procedures. Our broad portfolio addresses all areas of spine with market leadership in cervical disc replacement, and we are well-positioned in the growing global dental implant and biomaterials market with market leadership in oral reconstruction. In 2020, we generated total third party net sales of $897 million.

ZimVie was built through the acquisition and integration of over a dozen leading spine and dental businesses and brands over the course of more than 30 years. ZimVie today is the result of the combination of Zimmer's and Biomet's spine and dental portfolios in 2015, and the subsequent development of new products and technologies, as well as business development activities. As a result of our rich history and comprehensive portfolio, we are well-positioned to expand our presence in the spine surgery and tooth replacement markets we serve.

We estimate the global spine surgery market generated approximately $12 billion in sales in 2021. Within spine surgery, we believe that MIS and motion preservation solutions represent the highest growth market category. We estimate the global tooth replacement market generated approximately $8 billion in sales in 2021. Within tooth replacement, we expect the value implants, biomaterials and digital dentistry categories to grow faster than the overall market.

We have leading positions in a number of attractive submarkets of the broader global markets for spine and dental we serve. Our established commercial infrastructure and large sales force support our meaningful presence in both established and emerging markets.

We operate on a global scale and utilize a network of directly-employed sales representatives, independent sales agents, and exclusive distributors to market our products in 70 countries in North America, Europe, Latin America and Asia. We sell our spine products through a combination of direct sales channels and distributors, while we sell the majority of our dental products through direct sales channels, utilizing distribution partners only in smaller geographic areas. In 2020, approximately 95% of our total dental net sales were from our direct sales efforts. Upon the separation, we will have approximately 2,700 employees globally, with approximately 900 employees focusing on sales, marketing and key commercialization activities and approximately 300 employees focusing on research and development. Additionally, we expect to operate six manufacturing sites and devote significant resources to training and educating surgeons and clinicians regarding the proper use, safety, and reproducibility of clinical outcomes for our products. Our education and training programs are led by our medical education team and field experts, and integrate training with professional development, enabling us to introduce our innovative products and procedures.

Our operations are principally managed in two product markets, spine and dental:

Spine

In the Spine products market, we design, manufacture and distribute a full suite of spinal surgery solutions to treat patients with back or neck pain caused by degenerative conditions, deformities, tumors or traumatic injury of the spine. Our comprehensive portfolio includes implants, instrumentation, biologics and bone healing technologies. We also offer differentiated, motion preserving products in our spine portfolio, including Mobi-C Cervical Disc and The Tether device. Our products and services are utilized in hospitals and surgery centers for open and minimally invasive surgical procedures for the cervical, thoracic and lumbar spine. Our global net sales from our spine business was $529 million for the fiscal year ended December 31, 2020, as compared to $608 million for the fiscal year ended December 31, 2019.

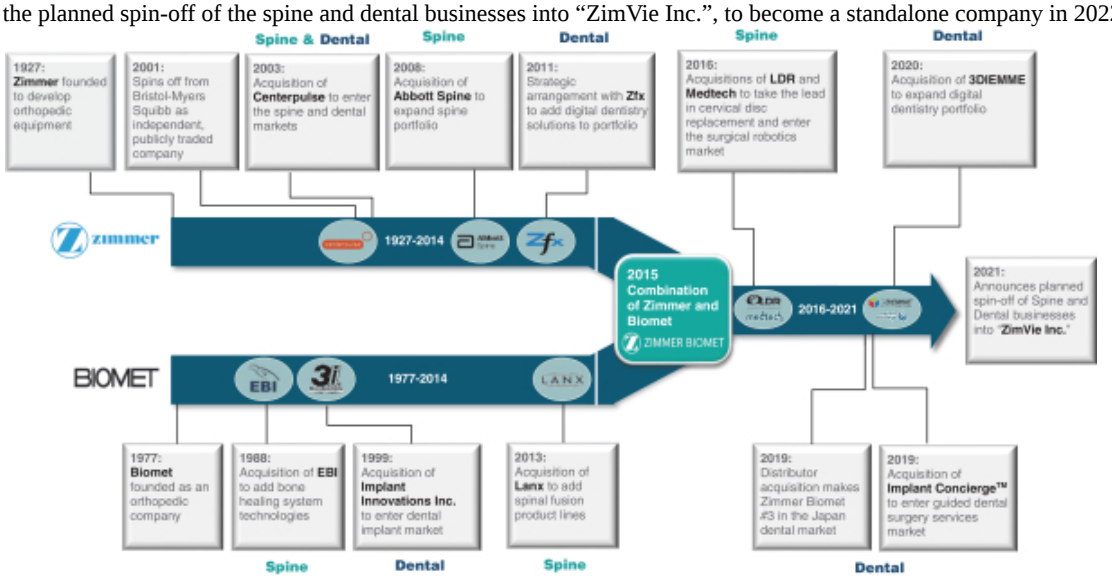
Dental

In the dental products market, we design, manufacture and distribute a comprehensive portfolio of dental implant solutions, biomaterials and digital dentistry solutions. Dental implants are intended for patients who are totally without teeth or are missing one or more teeth. Our products and solutions are utilized in oral surgery centers, DSOs and dental offices by oral surgeons and dental clinicians to provide patients with a more natural restoration to resemble the original teeth. We also service the clinician community by offering a variety of solutions to the dental laboratories they partner with. Our implant portfolio is complemented by our robust line of biomaterial solutions that are used for soft tissue and bone rehabilitation, and can help patients qualify for dental implant surgery by building sufficient bone utilizing bone grafting techniques and lead to improved esthetic outcomes. Digital dentistry is a growing category of the dental market and we offer a full suite of digital dentistry technologies that are designed to work together with our dental implant systems to deliver fully integrated, end-to-end implant-based tooth replacement solutions for oral surgeons, dental clinicians and dental laboratories. Our global net sales from our dental business was $368 million, for the fiscal year ended December 31, 2020, as compared to $414 million for the fiscal year ended December 31, 2019.

Our Company History

Our proud heritage began inside Biomet in 1988 through the acquisition of EBI Medical Systems, Inc., a leader in bone-growth electrical stimulation and external bone fixation markets. In 1999, Biomet entered the dental implant market through its acquisition of Implant Innovations, Inc., and further enhanced its spine portfolio through its acquisition of Lanx, Inc. in 2013, gaining access to two spinal fusion product lines. Zimmer entered the spine and dental markets in 2003 through its acquisition of Centerpulse AG, a pure-play orthopedics company with a leading spine and dental platform.

Following Zimmer's combination with Biomet, Zimmer Biomet acquired LDR Holding Corporation and Medtech SA in 2016 to accelerate the spine business into a leading position in cervical disc replacement and enter the surgical robotics market. Between 2019 and 2020, the dental business was reshaped through multiple tuck-in acquisitions that expanded digital dentistry capabilities to include guided surgery services with the acquisition of Implant Concierge, LLC, as well as CAD/CAM software and surgery guide production capabilities with the 3DIEMME srl acquisition. In 2021, Zimmer Biomet announced the planned spin-off of the spine and dental businesses into "ZimVie Inc.", to become a standalone company in 2022.



Our Competitive Strengths

We believe the following strengths provide us with significant, long-term advantages:

Comprehensive portfolio of brands trusted by surgeons and clinicians worldwide. We believe that our long history and focus on innovation, quality, patient safety and clinical outcomes has earned us brand recognition across our offerings and a reputation for high quality products and services. Our spine product portfolio addresses all areas of spinal surgery. We offer a range of thoracolumbar and cervical implants and instruments, as well as biologics and bone healing solutions to treat non-union fractures within our spine business. Our key spine products include the Mobi-C device, a market leading cervical disc replacement solution for motion preservation that has received significant regulatory and clinical recognition among the scientific and medical communities, as well as The Tether device, a first-of-its-kind fusion-less alternative scoliosis treatment for young patients requiring surgery. Our dental portfolio is comprised of a comprehensive range of dental implants, biomaterials and digital hardware and software that address tooth replacement needs. We have sold more than 10 million dental implants worldwide, working with thousands of oral surgeons and clinicians to deliver successful patient outcomes. We believe that the Puros® family of allografts, a key product line within our biomaterials offering, is a preferred option for tissue augmentation procedures and maintains strong brand equity with oral surgeons and clinicians worldwide. We believe our commitment to delivering best-in-class products and solutions has enabled us to foster deep relationships, build loyalty with our customers and drive market share gains.

Well-positioned in attractive, growing spine and dental submarkets. We believe that our extensive and clinically differentiated product portfolio, supported by our ongoing commitment to innovation, positions us for sustainable growth in the markets we serve. Our spine business is a market leader in motion preserving spine technologies, while our dental business is a global leader in oral reconstruction, holding leading positions in the dental regenerative and biomaterials market and the dental implant and digital dentistry markets. We see significant potential in the growing motion preservation category of our spine business. Our newer products, such as Mobi-C and The Tether devices, allow us to deliver a more comprehensive set of solutions to meet surgeon and patient needs. In addition, we believe our biomaterials and digital dentistry solutions supplement our existing dental implant offerings and strengthen our role as a provider of end-to-end tooth replacement and restoration solutions. We believe the tooth replacement market is one of the most attractive submarkets of the dental industry. Within this market, the biomaterials and digital dentistry, as well as certain dental implant submarkets, both at the product and geographic level, are growing faster than other submarkets and we maintain a strong presence in these higher growth categories.

Compelling body of clinical evidence. We have conducted extensive preclinical and clinical studies and developed a substantial body of scientific and clinical data over the last 20 years, supporting the safety and efficacy of our spine and dental products. Clinical data supporting our spine products has been published in more than 750 peer-reviewed journal articles, including the International Journal of Spine Surgery and The Journal of the American Medical Association (Surgery). Additionally, scientific and clinical evidence supporting our dental products has been published in more than 1,000 peer-reviewed journal articles, including the Journal of Clinical Periodontology, Clinical Oral Implants Research, Journal of Dental Research, Clinical Implant Dentistry and Related Research, and the Journal of Periodontology. Mobi-C is the first PMA-approved cervical disc in the United States for the treatment of one or two levels of the cervical spine and is determined by the FDA to be statistically superior to fusion at seven years for two-level cervical disc placement. The Tether device is the first and only FDA-approved device for anterior vertebral body tethering (“AVBT”), and our humanitarian device exemption approval was based on over seven years of clinical data validating the safety and effectiveness of The Tether in deformity correction. Our dental implant systems and Puros allografts have been clinically documented to provide predictable results through improved implant and abutment seal integrity and strength as well as enhanced biomaterials processing. With surgeons and dental clinicians increasingly practicing evidence-based medicine, we believe our meaningful body of clinical evidence will continue to strengthen our brand reputation and the value of our offerings.

Established commercial infrastructure with global reach. As of August 1, 2021, we had approximately 900 employees focusing on sales, marketing and key commercialization activities, with direct sales presence in approximately 30 countries. For our spine business, we deliver our products to our customers through a combination of our direct sales channel and distributors. For our dental business, we sell a majority of our products directly to our customers and utilize distribution partners in smaller geographic areas. In 2020, approximately 95% of our total dental net sales were from our direct sales efforts. We have a disciplined approach to market development that centers on active and direct engagement with healthcare institutions and providers, as well as distributors and healthcare dealers. Our target customer base includes spine surgeons, oral surgeons, dentists and other oral health professionals, practicing in hospitals, ambulatory surgery centers ("ASCs"), DSOs and dental offices in over 70 countries. We support these surgeons and clinicians through numerous aspects of medical education, such as live surgical, hands-on, in-field and web-based training. We believe that our approach to engagement across multiple constituents will drive awareness of and proficiency in using our products while enhancing patient access to high quality care.

Track record of successful innovation, tuck-in acquisitions and strategic partnerships. We believe our strategic focus on and experience with innovation, through a combination of internal and external development activities, provides us with a significant competitive advantage. Our research and development organization works in close partnership with surgeons, clinicians and key opinion leaders to sustain a flexible and collaborative approach to product development. We have developed a number of new products over the years, including our broad suite of dental implants and surgical kits designed to address all clinical indications. We also developed The Tether device, a first-of-its-kind treatment for scoliosis in young patients featuring a fusion-less, flexible cord system that gained the first approval order for a humanitarian use device in spinal pediatrics in over 15 years. Our new product development initiatives are supplemented by complementary acquisitions and strategic partnerships. We have had success creating value through our acquisition activity, including the acquisition of the Mobi-C device, which has enabled us to become a market leader in the CDR category. In addition, we have a strong position in the regenerative category of the dental market through an exclusive distribution agreement for the Puros family of allografts and multiple other partnership agreements for our broader regenerative portfolio. We have also continued to expand our global footprint in the growing market for digital restorative dentistry solutions through a distribution agreement for intraoral scanners.

Experienced management team with deep industry expertise. Our executive management team has extensive commercial, operational, and financial experience, and a strong track record of leadership, performance, and execution in the medical device industry. The team has a proven track record of successfully executing on a variety of business development initiatives, and together, they bring over 100 years of collective experience at respected global companies, including prior leadership roles within Zimmer Biomet. We believe that the extensive company and industry experience of our management team will serve as a source of strength and innovation to guide us into the future.

Our Growth Strategies

We intend to leverage our strengths and maximize stockholder value through enhanced focus and improved resource allocation to invest in innovative new technologies across our spine and dental businesses. We believe our portfolio will benefit from the increased investment and attention we can provide as an independent company, and the following key initiatives will enable our success:

Leverage our biomaterial and digital dentistry platforms coupled with implant innovation to further advance our dental business. The dental implant market is an attractive, growing sector and in order to capitalize on these trends, we plan to expand upon our existing implant portfolio to address a range of clinical indications. We believe biomaterials and digital dentistry will hold positions of increasing importance in the tooth replacement process. To support the growth of our dental business, we intend to leverage and build upon our position and capabilities in these two areas, and continue supporting the expansion of our leading position in implant offerings. Biomaterials can help patients qualify for dental implant surgery by building sufficient bone utilizing

bone grafting techniques and lead to improved esthetic outcomes. In addition, we intend to expand our digital dentistry offering by prioritizing software innovation that optimizes end-to-end digital workflows. Through our product enhancements in these areas, we believe that we will be able to increase our share in the dental implant market by offering a complete suite of products and workflow solutions for tooth replacement and restoration. Overall, our dental portfolio strategy seeks to leverage the strength of our existing portfolio to develop new solutions to target the specific unmet needs of our customers.

Drive surgeon and clinician awareness of and proficiency in using our products and solutions through medical education. We intend to devote significant resources to building out our clinical training and education infrastructure in order to deepen our relationships with surgeons and clinicians and enhance patient access to high quality care. We intend to expand our existing education programs and offer personalized educational curriculum to fit the needs of our surgeons and clinicians. Our continuing education portfolio will encompass science-based education, hands-on product training, clinical instruction, and practice management training, both in person and in a remote setting. We believe further education supports our research and development initiatives as we continue to foster relationships with surgeons, clinicians and key opinion leaders and collaborate on new product development initiatives. Medical education is a critical component of our service offering, and we believe our continued investment in professional development will result in enhanced product training to ensure the best treatment outcomes for patients.

Employ a disciplined approach to improving profitability and cash flow. As an independent company, we intend to focus on delivering operating efficiencies through cost saving initiatives in order to improve our margins. We have identified a number of actionable areas to generate savings by simplifying our operating model, standardizing and centralizing service activities, and enhancing our commercial, manufacturing and supply chain functions. We believe that these cost saving initiatives will generate cash flow that can be used to fund innovation and pursue strategic initiatives to drive growth.

Selectively pursue strategic acquisitions and alliances in attractive, high growth market segments. We are committed to the success of our existing portfolio, and we intend to maximize stockholder value by identifying, evaluating and deploying capital to strategic opportunities that enhance our product offerings. We have a long history of building our Company through the acquisition and integration of over a dozen leading spine and dental businesses and brands. We are focused on identifying potential opportunities in attractive, high growth market segments, which we believe will allow us to further build upon our scale and accelerate our path to market leadership. We will continue to follow a highly disciplined approach when evaluating new opportunities.

Industry Overview

We operate in the large and growing global markets for spine surgery and dental tooth replacement.

Spine surgery industry overview

The spine is the key structural support system in the body designed to provide balance and stability, while also protecting the spinal cord, nerves and internal organs. It is a complex arrangement of bones, joints, muscles, ligaments, a spinal cord, and nerves; therefore, substantial variability exists among surgical treatments. The majority of spine disorders are a result of degenerative conditions, deformities, tumors and trauma.

The prescribed treatment for spine conditions depends on the severity and the duration of the spine disorder and often starts with medical management. When medical management is insufficient, some patients will require spine surgery, with or without a spinal implant. Spine surgeries without an implant include discectomy (removal of the spinal disc) and laminectomy (removal of the vertebral bone) to relieve pressure on the spinal cord. Depending on the severity of the condition, surgeons may recommend surgery with an implant to restore disc height, stabilize the normal motion of the spine, or eliminate mobility of the affected area.

Spine disorders are prevalent and approximately five million spine surgeries are performed annually worldwide. Degenerative disc disease and scoliosis are among the most common spine conditions requiring surgery with an implant. Degenerative disc disease is age-related wear and tear of the spine, resulting in chronic back or neck pain, weakness, numbness and shooting pains in the arms and legs. Scoliosis is a lateral curvature of the spine that occurs most often just before puberty, and is the most common spinal deformity in children and adolescents.

Global spine surgery market

The global spine surgery market is a large and growing sector with estimated total product sales of approximately $11 billion in 2021. We estimate that the overall spine surgery market will grow at approximately 2.5% between 2021 and 2026, and certain submarkets within the spine market have experienced significantly greater growth rates. We believe the market for spine surgery solutions will continue to be driven by: an aging population; expanding access to care and increasing economic affluence in emerging markets; increasing demand for robotics and less-invasive surgical treatments; and a growing shift in certain spine surgeries from the hospital to ASCs.

The global spine surgery market consists of spinal fusion and non-fusion implants, instruments, biologics, bone healing devices and enabling technologies. The global spine surgery market is comprised of two primary procedure types: (1) open surgery and (2) MIS. Most spine surgeries are performed using open surgical procedures with an estimated market size of approximately $9 billion in 2021, which we expect to grow at average, annual low-single digit rates through 2026. We believe that MIS has an estimated market size of approximately $2 billion in 2021, which we expect to grow at average, annual mid-single digit rates between 2021 and 2026. Within the open surgery and MIS markets, the use of motion preservation devices and enabling technologies has become increasingly common.

The table below provides a summary of the key characteristics of global spine surgery product categories:

Global spine surgery market

Product category	Key products	Estimated market size (2021)(1)	Estimated market growth (2021-2026)(1)
Core and complex solutions	Cervical fusion Thoracolumbar interbody fusion Bone healing technology Ortho-biologics	~$9.0B	Low single digit
MIS solutions	Screw fixation systems Interbody devices	~$1.9B	Mid-single digit
Motion preservation devices	Cervical Disc Replacement (CDR) Anterior Vertebral Body Tethering (AVBT)	~$0.4B	High single digit
Enabling technologies	Navigation technology Robotics	~$0.3B	Mid-to-high teens

(1) Estimates are not precise and are based on competitor annual filings, Wall Street equity research and Zimmer Biomet estimates.

Background on ZimVie spine surgery product categories

Core and Complex Solutions consists of spine fusion implants and fixation systems designed to aid the restoration of spinal alignments and provide fixation during the fusion process. Spinal fusion implants account for a majority of the share in the global spine implants market, and consist of rods, screws, hooks, plates or cages, which are often used in combination to promote spine fusion. Biologics, such as allogenic (derived from human bone) and synthetic bone graft substitutes, are typically used during spine fusion surgeries to stimulate bone growth formation. Bone healing technologies that deliver low-level electrical signals to the fusion site are also commonly utilized to promote bone remodeling and fusion.

Core and complex products are typically used in an open surgery setting. During an open surgery, the spine is exposed through a large incision, resulting in disruption of the surrounding muscle soft tissue. Despite the inherent risks of infection, bleeding, and pain, open surgery is often the preferred or only approach for a variety of conditions, and it is the standard of care for most spinal pathologies, including degenerative disc diseases and deformities.

MIS Solutions consists of implants and instrumentation that are utilized during a minimally invasive procedure. MIS procedures are performed through a small incision, often using specialized surgical instruments and advanced imaging modalities. MIS offers significant benefits over open surgery, including shorter procedure and recovery times, lower complication rates, and reduced variability of care. These advantages have been shown to contribute to reduced peri-operative morbidity and higher spine fusion rates.

Minimally invasive techniques have traditionally been adopted more slowly in spine surgery than in other surgical fields primarily due to the difficulty of accessing and visualizing the spine and other critical structures through small, closed working channels as well as limited training and surgeon skill to perform MIS. However, technological innovations and enhanced operative techniques are allowing more surgeons to gain access to the spine while minimizing muscle dissection, disruption of ligament and soft tissue damage to achieve better patient outcomes.

Motion Preservation consists of artificial discs and other non-fusion devices where the primary goal is to preserve motion of the spine. Cervical degenerative disc disease is a common condition corrected by anterior cervical spinal fusion today, and approximately one-third of these procedures are estimated to be clinically acceptable for a CDR. While a fusion procedure limits motion almost entirely, artificial discs aim to restore the natural motion of the spine, which is important for the cervical spine. Motion preservation devices are also creating new markets for spinal implants by treating pathologies that were previously untreatable with traditional fusion procedures.

Across the industry, MIS, motion preservation implants, and enabling technologies are gaining broader acceptance among providers and surgeons as they seek to bring accuracy, precision and efficiency to procedures. While spinal fusion is the standard of care today, motion preservation implants can be used to treat similar pathologies while preserving the natural motion of the spine. For example, the cervical spine is the most flexible part of the spine and therefore motion preservation is critical. We believe adoption of motion preservation implants to treat cervical degenerative disease and other conditions will grow at a more rapid pace and continue to take share from the spinal fusion submarket.

Spine surgeries are performed at hospitals, specialty orthopedic and spine centers, and ASCs. Spine care delivery in ASCs is expected to grow from 10% in 2021 to greater than 25% over the next five years as more advanced spinal implants, fixation systems, biologics, and enabling technologies are brought to market. We believe the demand for less-invasive surgical alternatives and care will continue to drive greater adoption of our motion preservation and MIS portfolio.

Dental tooth replacement industry overview

Despite continued advances in preventive dentistry over the years, tooth loss remains a major public health problem worldwide, especially among older adults. We estimate that approximately 600 million people are affected by tooth

loss in the developed world but only a fraction seek treatment. Tooth loss is a debilitating and irreversible condition and often leads to a deterioration in physical health, functionality, esthetics and quality of life. Furthermore, individuals who experience tooth loss may be susceptible to further oral degeneration that worsens over time. Bone loss in the jaw progresses in the absence of stimulation provided by a connection with the tooth and may also be accompanied by decreased tissue regeneration and decreased tissue resistance in the lining of the mouth. When left untreated, tooth loss can also impact engagement in ordinary daily activities as a result of altered speech, loss of self-confidence and difficulties in eating and chewing.

While a variety of tooth replacement solutions exist, dental implants are considered the standard of care for the prosthetic replacement of missing teeth in dentistry today. In certain cases, a full arch restoration (complete replacement of the teeth) may be required. Surgically placed in the jawbone and allowed to fuse with the bone over the span of a few months, dental implants act as a replacement for the root of a missing tooth. This “artificial tooth root” serves to hold a replacement prosthetic tooth, crown or bridge, which is connected and fastened to the implant through an abutment. In some cases, a dental bone graft procedure may be required in order to increase the amount of bone in the part of the jaw where bone has been lost and where additional support is needed. With stimulation provided by the new implant, natural bone in the jaw regenerates and replaces the bone graft material, resulting in a fully integrated region of new bone. Additional biomaterials are commonly used in conjunction with these procedures to facilitate and enhance hard and soft tissue regeneration.

Global dental tooth replacement market

We believe the global tooth replacement market is an attractive market, with estimated total product sales of approximately $8 billion in 2021, which we expect to grow, on average, at annual mid-single digit rates between 2021 and 2026. We believe the future growth of the global tooth replacement market will be driven by: increasing awareness of treatment options among dentists, clinicians and patients; growth in the number of trained oral surgeons and dental clinicians through education programs; an aging population associated with a higher prevalence of tooth loss; increasing demand for esthetic outcomes; and greater disposable income in emerging markets.

The tooth replacement market is comprised of three core product categories: (1) dental implant solutions; (2) biomaterials; and (3) digital dentistry. While dental implant solutions represent the largest category of the broader tooth replacement market, biomaterials and digital dentistry, along with certain categories of the dental implants market, are expected to grow at a faster pace than the overall market.

The table below provides a summary of the key characteristics of global dental tooth replacement product categories:

Global dental tooth replacement market

Product category	Key product categories	Estimated market size (2021)(1)	Estimated market growth (2021-2026)(1)
Dental implant solutions	Dental implants Abutments and prosthetics Surgical instrumentations and kits	~$5B	Mid-single digit
Biomaterials	Bone graft substitutes Dental membranes Tissue regeneration products	~$1B	Mid-single digit

Global dental tooth replacement market

Product category	Key product categories	Estimated market size (2021)(1)	Estimated market growth (2021-2026) (1)
Digital dentistry	Guided surgery Capital equipment *(intraoral scanners, CAD/CAM milling solutions, 3D printers)* Design software	~$2B	High single digit

(1) Estimates are not precise and are based on competitor annual filings, Wall Street equity research and Zimmer Biomet estimates.

Background on ZimVie tooth replacement product categories

Dental Implant Solutions consists of implants, surgical tools, abutments and other restorative components that are needed to complete implant-based tooth replacement procedures. Dental implants may be distinguished by their design (tapered or straight), surface treatment, bone-level or tissue-level, width and height, material and abutment connection type. Fully tapered bone level titanium implants are the most commonly used implants today; however, a broad offering of implant types is critical for dental implant manufacturers to meet the varying needs of oral surgeons and dental clinicians. Surgical tools, stock and patient-specific abutments, and other restorative components are ancillary products within broader implant systems and are often sold in conjunction with the implant.

Biomaterial Solutions consists of bone graft substitutes, membranes and tissue regenerative products. Biomaterials can help treat patients with tooth replacement therapy who would not otherwise qualify for the therapy by building sufficient bone utilizing bone grafting techniques. While bone tissue may be sourced from elsewhere in the patient (autograft), bone graft substitutes derived from human donors (allografts), animals (xenografts), or synthetic materials are also used in bone graft procedures. Allografts represent the most commonly used bone graft substitute in the United States, while xenografts represent the most commonly used bone graft substitute outside the United States, as many countries limit the use of allografts. Sales of other biomaterials, such as dental membranes, growth factors, and tissue regenerative products, are generally correlated to the sales of dental implants, as these products are often used in conjunction with dental implants as part of the broader implant procedure.

Digital Solutions includes enabling technologies such as intraoral scanners, desktop scanners, mills, chairside systems, 3D printers, CAD/CAM materials, treatment planning and designing software, and surgical guides. Digital dentistry is rapidly changing the dental market by reducing the learning curve for dentists and making treatments more accurate, efficient and cost effective. Furthermore, by making dentistry less complex and more predictable, these technologies are allowing dental general practitioners to shift to more specialized procedures and in-source certain workflows previously performed by dental laboratory partners.

Beyond our core tooth replacement markets, there are a number of adjacent dental markets which we believe provide an opportunity to further grow and expand our offerings in the future. In the event we choose to enter into an adjacent dental market, we believe our strong customer relationships in the implant specialist, general practitioner and dental laboratory channels, as well as our educational infrastructure and general manufacturing capabilities, would provide us with a strong competitive advantage.

As practitioner expertise and supporting technology around dental implants have continued to advance, an increasing number of dentists have begun integrating dental implant procedures into their practices. In the past, the complex implant procedure was largely limited to the purview of well-trained specialists such as oral and

maxillofacial surgeons. However, recent developments in implant platforms and digital scanning technologies have lowered the barrier to entry, allowing for higher precision and a lower margin of error without sacrificing reliability. As a result, a growing number of general practitioners are now receiving supplementary training in implant dentistry to broaden their skillset.

In recent years, the broader dental practice industry has been consolidating into large DSOs. While the increased scale of group practice DSOs allows for greater negotiating power in the purchase of dental implants and other dental products, DSOs have also helped to extend the reach of dental implants to previously underserved segments of the market. Additionally, general dentists at DSOs, who are typically less experienced than general dentists in private practice, often benefit from educational programs. These trends provide an opportunity for dental manufacturers to compete through service, support and educational offerings.

Across the industry, the size and number of competitors vary by product line and from region to region. Competition in the tooth replacement market is primarily based upon product performance and clinical efficacy, quality, safety, ease of use, price, customer service, innovation, and acceptance by clinicians and patients. Additionally, in many countries or regions with vast geographies, manufacturers often must rely on a combination of direct and indirect selling resources, local and/or in-region manufacturing, customer support/service, and educational infrastructure.

Our Products

We have a long history of developing innovative spine and dental products with extensive input from surgeons and clinicians. Today, our portfolio includes a full range of products designed to treat a wide range of spinal pathologies and tooth replacement and restoration procedures. Our products and technologies facilitate less-invasive applications across both spine and dental surgery procedures to enable better outcomes.

Our spine products

We offer a broad product portfolio of surgical spine solutions designed to improve clinical outcomes for patients. Our products are utilized in an open and MIS setting and our portfolio is organized into three primary product categories: (1) core and complex solutions; (2) minimally invasive solutions; and (3) motion preservation solutions. Our global net sales from our spine business was $529 million for the fiscal year ended December 31, 2020, as compared to $608 million for the fiscal year ended December 31, 2019.

Core and complex solutions. Our comprehensive suite of market leading products supports surgeon efforts to treat a spectrum of spinal pathologies including degeneration and deformity. The portfolio includes spinal fusion implants and instrumentation for various spinal procedures, biologics and bone healing technologies. The key products in our core and complex spine portfolio consist of the following:

Core & complex spine products		Description
ROI-C®		Novel standalone cervical device designed for zero-profile anterior cervical discectomy and fusion (ACDF). Allows for an efficient surgical experience and eases surgeon workflows, requiring just one universal instrument set.
MaxAn®		Only anterior cervical plate designed to help minimize the risk of Adjacent Level Ossification by offering the widest cephalad/caudal screw angle sweep. Available in multiple plate sizes depending on patient need.

Core & complex spine products		Description
Virage®		Occipito-Cervico-Thoracic spinal fixation system designed to simplify rod alignment and minimize operating time. Offers the widest range of screw diameters and can be utilized in longer constructs.
Vital™		Versatile and comprehensive pedicle screw platform that provides the essential components needed to execute rigid fixation of challenging anatomies in complex thoracolumbar procedures. The system consists of a variety of screw types, iliac screws, connectors and rods to achieve an implant construct as necessary on a case-by-case basis.
Lumar Interbody Devices		A variety of PEEK and 3D printed titanium interbody cages to facilitate various approaches to the lumber spine.
Bone Healing Technologies		Electrical stimulation medical devices used to promote healing of various bone-related injuries. Key offerings include non-invasive solutions such as our SpinalPak®, OrthoPak® and Biomet EBI Bone Healing System products as well as our implantable spinal fusion stimulators, the SpF® PLUS-Mini and SpF-XL IIb.
Biologics	 	**PrimaGen Advanced™ Allograft**: Developed to overcome the limitations of other bone graft substitutes and simplify care delivery. Packaged in an intuitive, proprietary pre-filled delivery syringe and features a built-in filter that allows for the full preparation of the allograft material within the syringe. **Puros Allograft System**: Precision-machined thoracolumbar allografts in a wide range of shapes, sizes and lordotic angles. Each implant includes features to ease insertion, reduce migration and resist pull-out to help support stable fusion procedures.

MIS solutions. Our MIS solutions portfolio delivers implant and instrumentation systems specifically designed to support MIS approaches. These procedural solutions are intended to optimize surgeon workflows and provide to patients the clinical benefits that may be associated with shorter and less-invasive procedures. The key products in our MIS solutions portfolio consist of the following:

Minimally invasive solutions		Description
Vital MIS		Percutaneous screw delivery system that offers a broad range of cannulated implants and specialized instrumentation for a minimalized, percutaneous or mini-open approach. Designed to provide surgeons with the flexibility to utilize instrumentation based on their personal technique, preference and specific patient needs.
Timberline®		Comprehensive MIS lateral approach solution featuring a robust, intuitive and radiolucent retractor designed to improve visualization and minimize migration, especially at challenging levels—all accompanied by a broad implant portfolio, including novel, lateral, modular plate fixation device that easily and accurately accommodates varying plate styles, sizes and positioning.

Motion preservation solutions. Our motion preservation portfolio offers non-fusion alternatives where either mobility for cervical disc replacement or growth modulation for anterior vertebral body tethering are important objectives with clinically established patient benefits. The key products in our motion preservation solutions portfolio consist of the following:

Motion preservation		Description
Mobi-C		First cervical disc in the United States approved for the treatment of one or two levels of the cervical spine. With over 10 years of data, it was determined by the FDA to be statistically superior to fusion at seven years for two-level CDR. In early 2020, achieved a milestone of 150,000 Mobi-C discs implanted across more than 40 countries.
The Tether		Non-fusion spinal device comprised of titanium alloy anchors, bone screws and set screws, centered around a strong, flexible polymer cord. The Tether is the first and only FDA-approved device for AVBT.

Our dental products

We offer a broad product portfolio of surgical, biomaterial and digital hardware and software solutions designed to serve the needs of oral surgeons, clinicians and their patients. Our product portfolio is organized into three primary categories: (1) dental implant solutions; (2) biomaterial solutions; and (3) digital dentistry. These categories are highly complementary and essential to providing complete end-to-end implant-based tooth replacement solutions. Our global net sales from our dental business was $368 million for the fiscal year ended December 31, 2020, as compared to $414 million for the fiscal year ended December 31, 2019.

Dental implant solutions. We offer a comprehensive line of dental implant systems, prosthetic and abutment products, and surgical instrumentation and kits to address a wide range of clinical needs and indications. Our implant system portfolio encompasses tissue-level and bone-level implants, in a variety of surfaces, shapes, sizes and widths, to provide a full range of solutions for restoring the tooth's natural appearance and function. The key products in our dental implant solutions portfolio consist of the following:

Dental implant solutions		Description
Tapered Screw-Vent® (TSV®) Implant System		Our flagship dental implant with 20+ years of clinical data history. Enables immediate placement and/or loading by shielding crestal bone from concentrated occlusal forces.
T3® Implant System		Designed to deliver esthetic results through healthy tissue preservation. Features hybrid multi-surface topography, integrated platform switching, and seal integrity provided by stable and tight implant/abutment interface to minimize micromotion.

Dental implant solutions		Description
Other Dental Implant Systems		**OSSEOTITE**®: Features an acid-etched surface designed to facilitate osseointegration. One of the most well-researched implant surfaces on the market today with 10+ years of clinical data history. **Trabecular Metal**®: Metal dental implant that features a mid-section with cancellous-like porosity and highly-biocompatible tantalum, which studies have shown elicits a BioBoost Effect™, whereby naturally-occurring growth factors are multiplied to deliver faster healing and earlier bone formation than traditional implants. **3.1mmD Eztetic**®: Implant solution for narrow anterior sites, combining innovative implant design, Conical, Double Friction-Fit Connection and surgical protocol. **Spline**®: High-strength interface enabling precise locking of implant and abutment to reduce micro-movement and joint failure. **SwissPlus**®: Micro-textured, titanium tissue-level implant designed to be placed with one surgical procedure, minimizing trauma for the patient.
Surgical Instrumentation		Extensive line of surgical instrumentation and kits, including drills, taps, wrenches, and osteotomes, to complement dental implant systems, enabling a broad range of treatment procedures for implant placement.
Abutments and Other Restorative Components		Full range of abutments and other associated restorative products, including impression copings, abutment analogs and provisional abutments and associated instrumentation. Provides abutment solutions for provisional and final restorations and is available in different tissue heights and profiles to deliver optimal esthetics and clinical outcomes.

Biomaterial solutions. We offer a comprehensive line of biologic products for soft tissue and bone rehabilitation. Our portfolio includes bone grafts, barrier membranes, and collagen wound care products. The key products in our biomaterial solutions portfolio consist of the following:

Biomaterial solutions		Description
Puros Allografts		Comprehensive family of bone grafts for soft and hard tissue augmentation. Puros allografts are clinically documented to provide predictable bone regeneration. Available in particulate, bone block and putty form.
Other Bone Graft Substitutes		Xenograft: Bovine and porcine-derived alternatives to autogenous bone grafts offering predictable remodeling and regeneration and indicated for large and small bone defects. Synthetic: Advanced bone graft substitute available in synthetic hydroxyapatite (HA) and beta-TCP formulations and used in filling of bone defects, sinus elevation, socket preservation, among others.

Biomaterial solutions		Description
Barrier Membranes		Full line of dermis, pericardium and collagen barrier membranes providing long-lasting and comfortable barriers that are strong enough to meet most clinical needs and supple enough to adapt to challenging graft contours.
Collagen Wound Care		Complete portfolio of collagen tapes, patches and other wound care products. Also includes absorbable wound dressings that adhere and provide coverage to oral wounds and sores.

Digital dentistry. We offer a full suite of digital dentistry technologies that provide fully integrated, end-to-end implant-based tooth replacement and full-arch restoration solutions for oral surgeons, clinicians and dental laboratories. Our comprehensive range of solutions includes virtual treatment planning, guided surgery, CAD/CAM workflow systems and components and intra-oral scanners. These products and solutions were designed to work together with our dental implant systems to deliver long-term esthetic and physical integrity that patients demand.

Patient-specific restorative solutions. We offer advanced, patient-specific restorative solutions such as patient-specific components and surgical guides. We design and market our patient-specific abutments, bars, implant bridges, and hybrid restorations under the BellaTek® brand. Our BellaTek abutments are precisely fabricated and exclusively designed to match each patient's tooth anatomy and produce a natural emergence profile through the soft tissue. Our BellaTek-related workflows leverage our Encode® Impression System, which reduces the need for implant level impressions and simplifies the treatment process for patients, surgeons, and restorative clinicians.

We also offer web-based treatment planning and surgery guide design through our Implant Concierge® service. Implant Concierge provides dental specialists, general practitioners, DSOs, and dental laboratories with high quality implant planning, 3D-printed surgical guides and surgery-ready products for all major competitive implant systems. For cases that specify one of our implant systems, we offer SmileZ Today™, a just-in-time personalized supply chain solution delivering all the components necessary for a surgical case. Our key patient-specific restorative solutions consist of the following:

Patient-specific restorative solutions		Description
BellaTek System		Patient-specific CAD/CAM abutments, bars, implant bridges and other hybrid restoration components. BellaTek workflows leverage the Encode Impression System, eliminate the need for implant level impressions and result in an end-to-end treatment solution that optimizes the workflow.
GenTek™ System		Genuine connection components, designed and manufactured to minimize the micro-gaps and micro-movement of dental implants for a robust and stable interface between implants and abutments, helping to ensure the highest product quality and a precise fit.
Encode Healing Abutment / Impression System		Encode Healing Abutment is a healing abutment that can be placed at the time of surgery and remain in the patient's mouth up until delivery of the final restoration. The Encode Impression System simplifies the clinical protocol to capture the final impression for an implant restoration.
SmileZ Today		A one box solution that provides a patient-specific solution for a single-unit implant case.

Hardware and software solutions. We offer a comprehensive portfolio of intraoral scanners that enables multiple digital workflows and efficient collaboration between dental professionals. The key products in our hardware and software solutions consist of the following:

Hardware and software solutions		Description
Intraoral Scanners		Advanced intraoral scanners that provide scanning and imaging to fit the varying needs of clinicians.
RealGUIDE		Cloud-based universal platform for diagnosis, implant planning, designing and printing surgical guides and prosthesis modeling. Provides 2D/3D visualization and implant planning on multiple digital platforms.

Sales and Distribution

We utilize a global network of directly-employed sales representatives, independent sales agents, and exclusive distributors to market our products in 70 countries in North America, Europe, Latin America and Asia. As of August 1, 2021, we had approximately 900 employees focusing on sales, marketing and key commercialization activities.

Spine. We sell our spine implants, instruments, devices, and services through independent sales agents in the United States, and a combination of directly-employed sales representatives, independent sales agents and exclusive distributors internationally. In the United States, each member of our sales team is responsible for a defined territory, and independent sales agents act as our sole representative in their respective territories. The determination of whether to engage an independent sales agent is made on a territory-by-territory basis, with a focus on aligning the sales team's objectives with local surgeons' needs. Our customers include spine surgeons and hospital and ASC administrators.

Dental. We sell dental implant systems, biomaterials, and digital dentistry solutions through a combination of direct sales and distributors globally. Approximately 95% of our products are sold directly to our customers through our directly-employed sales representatives and independent sales agents. We utilize third party distributor partners in smaller geographies. Our typical customers and end-users of our products include oral surgeons, dental specialists, general dentists, dental laboratories and other dental organizations, including DSOs, as well as educational, medical and governmental entities and third party distributors.

In addition to our sales and marketing efforts noted above, we devote significant resources to training and educating surgeons and clinicians regarding the proper-use, safety and reproducibility of clinical outcomes for our products. Our education and training programs are led by our medical education team and field experts, and integrate training with professional development, enabling us to introduce our innovative products and procedures. We provide science-based education, hands-on product training, clinical instruction, and practice management training, both in person and virtually to participants around the world.

Research and Development

We engage in significant research and development activities across both our spine and dental businesses for the purpose of developing new product offerings to meet customer needs as well as to improve upon our existing portfolio.

Our development efforts focus on high growth submarkets that we believe will help augment our existing portfolio and drive future growth. In our spine segment, we will seek to develop enabling technologies as the market shifts to MIS and surgeons and providers seek additional offerings for workflow enhancement. Similarly, within our dental business, we will focus our efforts on developing new implant technologies, biomaterials and digital dentistry solutions to improve surgeon and clinician efficiency and patient outcomes. Our research and development organization maintains an extensive network of relationships with surgeons, clinicians, key opinion leaders and other leading healthcare professionals in spine and dental. The purpose of these collaborative interactions is to assist us in delivering meaningful clinical and economic benefits across all of our new offerings. By partnering with these field experts, we are able to develop products that specifically address unmet surgeon, oral surgeon and dental clinician and patient needs. The efficient development and commercialization of new products and technologies remains key to our core strategy and continues to be an important growth driver for the business.

We expect to continue to leverage our research activities to identify innovative technologies in both the spine and dental markets. In addition to our internal development efforts, we may at times seek to expand our portfolio of offerings through inorganic means, such as acquiring complementary products or businesses, establishing technology licensing arrangements or forming strategic alliances. We intend to further broaden our offerings in select product categories, and with the help of key partners, we are exploring the potential of advanced technologies, including mixed-reality, artificial intelligence and machine learning, all of which have possible applications in multiple areas of our business.

Our primary research and development facilities are located in the United States, in Florida and Colorado. We have additional research and development personnel based in Canada, France and other international locations. As of August 1, 2021, we employed approximately 300 research and development individuals worldwide. For the years ended December 31, 2019 and December 31, 2020, we incurred research and development expenses of $55.6 million and $49.2 million, respectively.

Intellectual Property

Patents and other proprietary rights are important to the continued success of our business. We also rely upon trade secrets, know-how, continuing technological innovation and licensing opportunities to develop and maintain our competitive position. We protect our proprietary rights through a variety of methods, including confidentiality agreements and proprietary information agreements with suppliers, employees, consultants and others who may have access to proprietary information. Although in aggregate our intellectual property is important to our operations, we do not consider any single patent, trademark, copyright, trade secret or license to be of material importance to any segment or to the business as a whole. We own or control through licensing arrangements over 2,500 issued patents and patent applications throughout the world that relate to aspects of the technology incorporated in many of our products. See “Certain Relationships and Related Person Transactions—Intellectual Property Matters Agreement” for a description of the Intellectual Property Matters Agreement we are entering into with Zimmer Biomet in connection with the separation. See also the section entitled “Risk Factors” for a discussion of risks related to our intellectual property.

Materials, Manufacturing and Supply

Our manufacturing operations employ a wide variety of raw materials that we purchase from a large number of independent sources around the world. No single supplier is material, although for some components that require particular specifications or qualifications, there may be a single supplier or a limited number of suppliers that can readily provide such components. We utilize a number of techniques to address potential disruption in and other risks relating to our supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources.

In order to sell our products, we must be able to reliably produce and ship our products in sufficient quantities. Many of our products involve complex manufacturing processes and are produced at one or a limited number of manufacturing sites, including at third party manufacturing sites.

Minor deviations in our manufacturing or logistical processes, unpredictability of a product's regulatory or commercial success or failure, the lead time necessary to construct highly technical and complex manufacturing sites and shifting customer demand increase the potential for capacity imbalances. See the section entitled "Risk Factors" for a further discussion of risks relating to the materials used in our operations and our manufacturing process and supply chain.

Competition

The spine and dental markets in which we conduct our business, and the medical technology industry in general, are highly competitive and subject to change. The industry is affected by the introduction of new products and technologies and other market activities of industry participants. Our competitors include other global medical technology companies and pure-play spine and dental companies, as well as academic institutions and other public and private research organizations that conduct research, seek patent protection, and establish arrangements for commercializing products that will compete with our products. Our spine segment competes primarily with the spinal and biologic businesses of Medtronic plc, the DePuy Synthes Companies (part of the Johnson & Johnson Medical Devices group), Stryker Corporation, NuVasive, Inc. and Globus Medical, Inc. Our dental segment's primary competition includes The Straumann Group, Dentsply Sirona Inc., Nobel Biocare Services AG (part of Envista Holdings Corporation), Henry Schein, Inc. and Geistlich Pharma AG.

The primary competitive factors we face include technological innovation and technical capability, clinical results, price, breadth of product line, scale of operations, distribution capabilities, brand reputation, medical education capabilities, and customer service. In order to remain competitive in the future, we must seek to continually enhance our business. Our ability to compete is affected by our ability to accomplish the following:

- Develop new products and innovative technologies;
- Improve upon our existing portfolio of offerings;
- Improve efficiency and clinical outcomes for surgeons, clinicians and their patients;
- Obtain and maintain regulatory clearances or approvals and reimbursement for our products;
- Manufacture and sell our products cost-effectively;
- Meet all relevant quality standards for our products and their markets;
- Protect the proprietary technology of our products and manufacturing processes;
- Effectively market and promote our products;
- Continue to provide effective medical education for surgeons and clinicians on our products;
- Attract and retain qualified scientific, management and sales employees and focused sales representatives;
- Maintain our strategic partnerships; and
- Support our technology with clinically relevant studies.

Human capital

Workforce Composition

As of August 1, 2021, we had approximately 2,600 employees worldwide. Approximately 1,350 employees were located within the United States and 1,250 employees were located outside of the United States, primarily throughout Europe and Asia. Employees of our wholly-owned subsidiaries based in Spain, France, Germany, Switzerland, Austria, Netherlands and Finland, are covered by Works Councils. In addition to our employees, we partner with independent sales representatives and independent distributors who sell our products in the United States and internationally.

In the United States, our sales force consists of directly employed sales representatives, independent sales representatives and independent territory-based distributors who are responsible for particular geographic regions

of the country. Outside of the United States, our sales force consists of directly employed sales representatives, independent sales representatives and independent territory-based distributors. We operate in a highly competitive industry and it is essential that we attract and retain qualified personnel through competitive compensation and benefits and a rewarding work environment in order to achieve our strategic business objectives. In particular, competition for sales talent in our industry is significant. Our sales force provides a delivery and consultative service to our surgeon, clinician and hospital customers, and our sales representatives often develop long-lasting relationships with the customers they serve. Accordingly, recruiting sales representatives with appropriate expertise, retaining our talent, and incentivizing our sales force is important to our success. We also believe we attract and retain sales talent based on the breadth of our product and service offerings, our commitment to investing in research and development and our new product innovation pipeline, as well our medical training and education program.

Compensation and Benefits

We offer competitive benefit packages, supporting our employees as they help to drive our mission. This includes encouraging a culture of health by providing cost-effective wellness programs to best serve our employees and their family members. Our comprehensive benefits packages may include competitive pay, annual incentive awards and bonus opportunities, healthcare and retirement benefits, paid time off and sick leave, flexible work schedules, remote working opportunities, and a wellness program.

Talent Development

We believe that success comes from investing in our people and ensuring our workforce is aligned with our mission and values. To achieve this goal, we devote time and resources to ensure that throughout our organization, employees are familiar with our business, industry and product offerings, and our sales representatives receive additional comprehensive training on our various product offerings. In addition, a key driver of our future growth is our ability to develop leaders. We are committed to identifying and developing talent to help those employees accelerate their growth and achieve their career goals.

Employee Communication and Engagement

We value open and direct communication with our employees about their experiences. We use a variety of channels to obtain employee feedback, including employee surveys, open forums with leadership, and employee resource groups. The input received through these mechanisms is used to help evolve our working environment and strengthen our culture.

Diversity and Inclusion

We recognize the value associated with fostering a work environment that is culturally diverse and inclusive. Our goal is to cultivate a respectful and professional environment where all voices are heard and valued. We have established employee resource groups that aim to highlight the value of diversity, inclusion and engagement, while providing professional development opportunities for employees of all genders, experience levels, and locations. We also review performance data and promotion and compensation information to ensure fair and objective decision-making.

Community

Our employees and sales representatives have a long history of providing support and care to our communities, donating time, resources and funds to local causes. In addition, we support medical research and education, charitable and philanthropic endeavors. We believe in giving back, and we also believe it is important to operate our Company in a socially responsible manner.

Health, Safety, and Wellness

We are committed to the protection of our employees, customers, communities and the environment. Our operations require the use of hazardous materials that subject us to various federal, state, and local environmental and safety laws

and regulations. Our key areas of focus include corporate compliance with responsible hazardous waste management, recycling, emergency preparedness, as well as various initiatives to improve our health and safety programs with the goal of reducing and ultimately eliminating serious injuries.

In response to the COVID-19 pandemic, we adopted a broad approach to increased safety, including work-at-home arrangements for employees who were able to do so, working shift adjustments to decrease the number of people in our manufacturing and distribution facilities, requirements for the wearing of masks and for physical distancing, increased cleaning between shifts, readily available hand sanitizing stations, widespread signage and messaging reminding employees of the importance of these measures and other steps.

Human Capital Governance

Following the distribution, our board of directors will receive regular updates on topics related to talent development, retention and recruiting initiatives, our diversity and inclusion program, succession planning, employee engagement and the results from our annual employee survey. Management will also work closely with the Compensation Committee to establish goals and objectives and metrics in connection with the design and funding of the annual bonus opportunity for our employees. Additionally, the Audit Committee and the Corporate Governance Committee will share oversight responsibilities related to our Code of Business Conduct and Ethics, which establishes policies pertaining to, among other things, employee conduct in the workplace, workplace safety, confidentiality, conflicts of interest, accuracy of books, records and financial statements, securities trading, anti-corruption, competition laws, interactions with healthcare professionals and political and charitable activities.

Properties

We own or lease more than 40 facilities around the world, approximately one-third of which are in the United States. Our corporate headquarters and our Spine headquarters are in Westminster, Colorado. Our Dental headquarters is in Palm Beach Gardens, Florida, which is also home to significant manufacturing operations and research and development activities.

We have six manufacturing site locations, described below, and a global presence in approximately 25 countries.

Location	How Held	Primary Use	Sq. Ft.
Palm Beach Gardens, FL	Owned	Dental Executive Offices Dental Manufacturing	190,000
Westminster, CO	Leased	Corporate Headquarters Spine Executive Offices Spine Manufacturing	104,000
Troyes, France	Leased	Spine Manufacturing	83,000
Valencia, Spain	Owned	Dental Manufacturing	70,000
Guaynabo, Puerto Rico	Owned	Spine Manufacturing	55,000
Memphis, TN	Leased	Spine Manufacturing	30,000

We maintain sales and administrative offices and warehouse and distribution facilities in countries around the world. These local market facilities are primarily leased due to common business practices and to allow us to be more adaptable to changing needs in the market.

We distribute our products both through large, centralized warehouses and through smaller, market specific facilities, depending on the needs of the market.

We believe that all of the facilities and equipment are in good condition, well maintained and able to operate at present levels. We believe the current facilities, including manufacturing, warehousing, research and development and office space, provide sufficient capacity to meet ongoing demands.

Seasonality

Our business is seasonal in nature to some extent, as many of our products are used in elective procedures, which typically decline during the summer months and can increase at the end of the year once annual deductibles have been met on health insurance plans. Additionally, with sales to customers where title to product passes upon shipment, these customers may purchase items in large quantities if incentives are offered or if there are new product offerings in a market, which could cause period-to-period differences in sales. Due to the COVID-19 global pandemic, the typical seasonal patterns did not occur in 2020.

Government Regulation and Compliance

Our operations, products and customers are subject to extensive government regulation by numerous government agencies, both within and outside the U.S. Our global regulatory environment is increasingly stringent, unpredictable and complex. There is a global trend toward increased regulatory activity related to medical products.

In the U.S., numerous laws and regulations govern all the processes by which our products are brought to market. These include, among others, the FDCA and regulations issued or promulgated thereunder. The FDA has enacted regulations that control all aspects of the development, manufacture, advertising, promotion and postmarket surveillance of medical products, including medical devices. In addition, the FDA controls the access of products to market through processes designed to ensure that only products that are safe and effective are made available to the public.

Most of our new products fall into an FDA medical device classification that requires the submission of a Premarket Notification (510(k)) to the FDA. This process requires us to demonstrate that the device to be marketed is at least as safe and effective as, that is, substantially equivalent to, a legally marketed device. We must submit information that supports our substantial equivalency claims. Before we can market the new device, we must receive an order from the FDA finding substantial equivalence and clearing the new device for commercial distribution in the United States.

Other devices we develop and market are in a category (class) for which the FDA has implemented stringent clinical investigation and PMA requirements. The PMA process requires us to provide clinical and laboratory data that establishes that the new medical device is safe and effective. The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA application constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s).

In January 2021, the FDA announced a new “Action Plan” to address software as a medical device and artificial intelligence and machine learning (“AI/ML”). Certain of our new products will likely incorporate innovations related to AI/ML, and therefore we will monitor developments in this area closely to determine our compliance obligations and risks.

Both before and after a product is commercially released, we have ongoing responsibilities under FDA regulations. The FDA reviews design and manufacturing practices, labeling and record keeping, and manufacturers’ required reports of adverse experiences and other information to identify potential problems with marketed medical devices. We are also subject to periodic inspection by the FDA for compliance with its QSR, among other FDA requirements, such as requirements for advertising and promotion of our devices. Our manufacturing operations, and those of our third-party manufacturers, are required to comply with the QSR, which addresses a company’s responsibility for product design, testing and manufacturing quality assurance and the maintenance of records and documentation. The QSR requires that each manufacturer establish a quality system by which the manufacturer monitors the manufacturing process and maintains records that show compliance with FDA regulations and the manufacturer’s written specifications and procedures relating to the devices. QSR compliance is necessary to receive and maintain FDA clearance or approval to market new and existing products and is also necessary for distributing in the U.S. certain devices exempt from FDA clearance and approval requirements. The FDA conducts

announced and unannounced periodic and on-going inspections of medical device manufacturers to determine compliance with the QSR. If in connection with these inspections the FDA believes the manufacturer has failed to comply with applicable regulations and/or procedures, it may issue inspectional observations on Form 483 that would necessitate prompt corrective action. If FDA inspectional observations are not addressed and/or corrective action is not taken in a timely manner and to the FDA's satisfaction, the FDA may issue a warning letter (which would similarly necessitate prompt corrective action) and/or proceed directly to other forms of enforcement action, including the imposition of operating restrictions, including a ceasing of operations, on one or more facilities, enjoining and restraining certain violations of applicable law pertaining to products, seizure of products, and assessing civil or criminal penalties against our officers, employees or us. The FDA could also issue a corporate warning letter or a recidivist warning letter or negotiate the entry of a consent decree of permanent injunction with us. The FDA may also recommend prosecution to the U.S. Department of Justice ("DOJ"). Any adverse regulatory action, depending on its magnitude, may restrict us from effectively manufacturing, marketing and selling our products and could have a material adverse effect on our business, financial condition and results of operations.

The FDA, in cooperation with U.S. Customs and Border Protection ("CBP"), administers controls over the import of medical devices into the U.S. and can prevent the importation of products the FDA deems to violate the FDCA or its implementing regulations. The CBP imposes its own regulatory requirements on the import of our products, including inspection and possible sanctions for noncompliance. We are also subject to foreign trade controls administered by certain U.S. government agencies, including the Bureau of Industry and Security within the Commerce Department and the Office of Foreign Assets Control within the Treasury Department. In addition, exported medical products are subject to the regulatory requirements of each country to which the medical product is exported.

There are also requirements of state and local governments that we must comply with in the manufacture and marketing of our products.

In many of the countries in which our products are sold, we are subject to supranational, national, regional and local regulations affecting, among other things, the development, design, manufacturing, product standards, packaging, advertising, promotion, labeling, marketing and postmarket surveillance of medical products, including medical devices. In the EU, a single regulatory approval process exists, and conformity with the legal requirements is represented by the CE Mark. To obtain a CE Mark, defined products must meet minimum standards of performance, safety, and quality (i.e., the essential requirements), and then, according to their classification, comply with one or more of a selection of conformity assessment routes. The competent authorities of the EU countries separately regulate the clinical research for medical devices and the market surveillance of products once they are placed on the market. A new Medical Device Regulation was published by the EU in 2017 that imposes significant additional premarket and postmarket requirements ("MDR"). The regulation provided an implementation period and became effective on May 26, 2021. Medical devices marketed in the EU will require certification according to these new requirements, except that devices with valid CE certificates, issued pursuant to the MDD before May 2020, can be placed on the market until May 2024.

Our quality management system is based upon the requirements of ISO 13485, the QSR, the MDR and other applicable regulations for the markets in which we sell. Our principal manufacturing sites are certified to ISO 13485 and audited at regular intervals.

Further, we are subject to other supranational, national, regional, federal, state and local laws concerning healthcare fraud and abuse, including false claims and anti-kickback laws, as well as the U.S. Physician Payments Sunshine Act and similar state and foreign healthcare professional payment transparency laws. These laws are administered by, among others, the DOJ, the Office of Inspector General of the HHS, state attorneys general and various foreign government agencies. Many of these agencies have increased their enforcement activities with respect to medical products manufacturers in recent years. Violations of these laws are punishable by criminal and/or civil sanctions, including, in some instances, fines, imprisonment and, within the U.S., exclusion from participation in government healthcare programs, including Medicare, Medicaid and Veterans Administration health programs.

Our operations in foreign countries are subject to the extraterritorial application of the FCPA. Our global operations are also subject to foreign anti-corruption laws, such as the UK Bribery Act, among others. As part of our global compliance program, we seek to address anti-corruption risks proactively.

Our facilities and operations are also subject to complex federal, state, local and foreign environmental and occupational safety laws and regulations, including those relating to discharges of substances in the air, water and land, the handling, storage and disposal of wastes and the clean-up of properties contaminated by pollutants. We do not expect that the ongoing costs of compliance with these environmental requirements will have a material impact on our consolidated earnings, capital expenditures or competitive position.

In addition, we are subject to federal, state and international data privacy and security laws and regulations that govern the collection, use, disclosure, transfer, storage, disposal and protection of health-related and other personal information. The FDA has issued guidance to which we may be subject concerning data security for medical devices. The FDA and the DHS have issued urgent safety communications regarding cybersecurity vulnerabilities of certain medical devices.

In addition, certain of our affiliates are subject to privacy, security and breach notification regulations promulgated under HIPAA. HIPAA governs the use, disclosure, and security of protected health information by HIPAA “covered entities” and their “business associates.” Covered entities are health plans, health care clearinghouses and health care providers that engage in specific types of electronic transactions. A business associate is any person or entity (other than members of a covered entity’s workforce) that performs a service on behalf of a covered entity involving the use or disclosure of protected health information. HHS (through the Office for Civil Rights) has direct enforcement authority against covered entities and business associates with regard to compliance with HIPAA regulations. On December 10, 2020, HHS issued an NPR to modify the HIPAA privacy rule. The proposed modifications would remove communication barriers between providers and health plans, allow individuals more access to their health information and impose new requirements on entities that receive patient data requests. Separately, HHS (through the National Coordinator for Health Information Technology) issued a new rule, effective April 5, 2021, that seeks to limit “blocking” of electronic health information by imposing data access, software licensing and inter-operability requirements on healthcare providers and information technology vendors. We intend to monitor both the NPR and the “information blocking” rule and assess their impact on the use of data in our business.

In addition to the FDA guidance and HIPAA regulations described above, a number of U.S. states have also enacted data privacy and security laws and regulations that govern the processing, collection, use, disclosure, transfer, storage, disposal, and protection of personal information, such as social security numbers, medical and financial information and other personal information. These laws and regulations may be more restrictive and not preempted by U.S. federal laws. For example, several U.S. territories and all 50 states now have data breach laws that require timely notification to individuals, and at times regulators, the media or credit reporting agencies, if a company has experienced unauthorized access or acquisition of personal information. Other state laws include the CCPA, which, among other things, contains new disclosure obligations for businesses that collect personal information about California residents and affords those individuals numerous rights relating to their personal information that may affect our ability to use personal information or share it with our business partners. A second law in California, the CPRA, expands the scope of the CCPA and establishes a new California Privacy Protection Agency that will enforce the law and issue regulations. The CPRA is scheduled to take effect on January 1, 2023. On that same date, a new Virginia law, the VCDPA, which is similar in many respects to the CCPA, is scheduled to take effect. Under the VCDPA, it is unlawful for persons subject to the law to process what is termed “sensitive data” without the affirmative, unambiguous consent of the consumer, subject to some exceptions. “Sensitive data” includes, but is not limited to, personal health diagnosis data. The Virginia Attorney General has sole authority to enforce the VCDPA, and enforcement efforts will be supported through the creation of a Consumer Privacy Fund. Regulated entities that violate the VCPDA may be subject to maximum civil penalties of $7,500 for each violation. Colorado recently enacted somewhat similar legislation, and other states are considering enacting similar privacy laws. We will continue to monitor and assess the impact of these emerging state laws, which may impose substantial penalties for violations, impose significant costs for investigations and compliance, allow private class-action litigation and carry significant potential liability for our business.

Outside of the United States, data protection laws, including the GDPR in Europe and the Lei Geral de Proteção de Dados in Brazil, also apply to our operations in those countries in which we provide services to our customers. Legal requirements in these countries relating to the collection, storage, processing and transfer of personal data continue to evolve. The GDPR imposes, among other things, data protection requirements that include strict obligations and restrictions on the ability to collect, analyze and transfer personal data regarding persons in the EU, a requirement for prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances, and possible substantial fines for any violations (including possible fines for certain violations of up to the greater of 20 million Euros or 4% of total worldwide annual turnover of the preceding financial year). Governmental authorities around the world have enacted similar types of legislative and regulatory requirements concerning data protection, and additional governments are considering similar legal frameworks.

The interpretation and enforcement of the laws and regulations described above are uncertain and subject to change, and may require substantial costs to monitor and implement compliance with any additional requirements. Failure to comply with U.S. and international data protection laws and regulations could result in government enforcement actions (which could include substantial civil and/or criminal penalties), private litigation and/or adverse publicity and could have a material adverse impact on our business, financial condition or results of operations.

Third-Party Reimbursement

We expect that sales volumes and prices of our products and services will continue to be largely dependent on the availability of reimbursement from third-party payors, such as governmental programs, for example, Medicare and Medicaid, private insurance plans, accountable care organizations and managed care programs. Reimbursement is contingent on established coding for a given procedure, favorable coverage of the codes by the third-party payors, and adequate payment for the resources used.

Physician coding for procedures is established by the American Medical Association (“AMA”). For coding related to spine surgery, the North American Spine Society (“NASS”) is the primary liaison to the AMA. Hospital coding is established by the Centers for Medicare & Medicaid Services. All physician and hospital coding is subject to changes which could impact reimbursement and physician practice behavior.

Independent of the coding status, third-party payors may deny coverage based on their own criteria, including if they believe that a device or procedure does not positively impact patient outcomes, is not the most cost-effective treatment available, or is used for an unapproved indication that is not supported by published clinical literature. At various times in the past, certain insurance providers have adopted policies of not providing reimbursement for multi-level cervical arthroplasty. We have worked with our surgeon customers and NASS who, in turn, have worked with these insurance providers to supply the information, explanation and clinical data they require to categorize cervical arthroplasty as a procedure that meets the reimbursement requirements defined by their policies. At present, most major health insurance companies in the United States provide reimbursement for cervical arthroplasty.

However, certain carriers, large and small, may have policies significantly limiting coverage of AVBT, intervertebral biomechanical devices, certain morselized allografts, and/or other procedures, products or services that we offer. We will continue to provide resources to patients, surgeons, hospitals, and insurers in order to ensure patient access to care and clarity regarding reimbursement and will work to reverse any and all non-coverage policies. National and regional coverage policy decisions are subject to unforeseeable change and have the potential to impact physician behavior and reimbursement for physician services. We cannot offer definitive time frames or final outcomes regarding reversal of the coverage-limiting policies, as the process is dictated by the third-party insurance providers. For a discussion of these risks, please see the “Risk Factors” section of this Information Statement.

Payment amounts are established by government and private payor programs and are subject to yearly updates based on Medicare published fee schedules and contract renegotiations, which could impact physician practice

behavior. Third-party payors are increasingly challenging the prices charged for a wide range of medical products and services, including those in areas where we participate.

In international markets, reimbursement and healthcare payment systems vary significantly by country and many countries have instituted price ceilings on specific product lines. There can be no assurance that our products will be accepted by third-party payors, that reimbursement will be available, and/or that the third-party payors' reimbursement policies (if available) will not adversely affect our ability to sell our products profitably.

In the United States, as a result of healthcare reform, third-party payors are increasingly required to demonstrate they can improve quality and reduce costs; we accordingly see an increase in pre-approval/prior authorizations and non-coverage policies citing higher levels of published clinical evidence required for medical therapies and technologies. Even fee-for-service Medicare began requiring prior authorization of anterior cervical fusion with decompression cases starting on July 1, 2021. In addition, insured individuals are facing increased premiums and higher out-of-pocket costs for medical coverage, including higher deductibles and coinsurance percentages, which can lead a patient to delay medical treatment. An increasing number of insured individuals receive their medical care through managed care programs, which monitor and often require pre-approval of the services that a member will receive. The percentage of individuals covered by managed care programs is expected to grow in the United States over the next decade.

Overall escalating costs of medical products and services has led to, and is expected to continue to lead to, increased pressures on the healthcare industry to reduce the costs of products and services. There can be no assurance that third-party reimbursement and coverage will be available or adequate, or that future legislation, regulation, or reimbursement policies of third-party payors will not adversely affect the demand for our products and services or our ability to sell these products and services on a profitable basis. The unavailability or inadequacy of third-party payor coverage or reimbursement could have a material adverse effect on our business, operating results and financial condition. For a discussion of these risks, please see the "Risk Factors" section of this Information Statement.

Legal Proceedings

Information pertaining to certain legal proceedings in which we are involved can be found in Note 18 to our combined financial statements included elsewhere in this information statement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with our audited historical combined financial statements and related notes, and the unaudited pro forma combined financial statements and corresponding notes included elsewhere in this information statement. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those factors discussed below and elsewhere in this information statement, particularly in "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors."

Overview

Our operations are principally managed on a products basis and include two operating segments: 1) the spine products segment, and 2) the dental products segment.

In the spine products market, our core services include designing, manufacturing and distributing medical devices and surgical instruments to deliver comprehensive solutions for individuals with back or neck pain caused by degenerative conditions, deformities, tumors or traumatic injury of the spine. We also provide devices that promote bone healing. Other differentiated products in our spine portfolio include Mobi-C Cervical Disc and The Tether device.

In the dental products market, our core services include designing, manufacturing and/or distributing of dental implant solutions. Dental reconstructive implants are for individuals who are totally without teeth or are missing one or more teeth, dental prosthetic products are aimed at providing a more natural restoration to resemble the original teeth and dental regenerative products are for soft tissue and bone rehabilitation. Our key products include the T3 Implant, Tapered Screw-Vent Implant System, Trabecular Metal Dental Implant, BellaTek Encode Impression System and Puros Allograft Particulate.

We have a broad geographic revenue base, with meaningful exposure to both established and emerging markets. We have six manufacturing site locations, and a global presence in approximately 25 countries.

Separation from Zimmer Biomet

On February 5, 2021, Zimmer Biomet announced its intention to separate its spine and dental businesses from its core orthopedic businesses. Zimmer Biomet intends to effect the separation through a *pro rata* distribution of approximately 80.3 percent of the outstanding shares of common stock of a new entity, ZimVie. Following the distribution, Zimmer Biomet stockholders will directly own approximately 80.3 percent of the outstanding shares of ZimVie common stock, and ZimVie will be a separate public company from Zimmer Biomet. The separation will provide Zimmer Biomet stockholders with equity ownership in both Zimmer Biomet and ZimVie. The separation is intended to qualify as generally tax-free to Zimmer Biomet stockholders for U.S. federal income tax purposes, except for any cash received by stockholders in lieu of fractional shares.

Completion of the spin-off is subject to certain conditions which are described more fully under "The Separation and Distribution—Conditions to the Distribution."

Basis of Presentation

We have historically existed and functioned as part of the consolidated business of Zimmer Biomet. The accompanying combined financial statements are prepared on a standalone basis and are derived from Zimmer Biomet's consolidated financial statements and accounting records.

The carve-out financial statements and accounting records present the combined balance sheets as of December 31, 2020 and 2019 and the combined statements of earnings, combined statements of comprehensive income (loss), and combined statements of changes in net parent investment for the years ended December 31, 2020, 2019, and 2018.

The combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The combined statements of earnings include all revenues and costs directly attributable to our business, including costs for facilities, functions, and services we utilize. The combined statements of earnings also include an allocation of expenses related to certain Zimmer Biomet commercial and corporate functions, including distribution, quality, regulatory, information technology, finance, executive, human resources and legal. These expenses have been allocated based on direct usage or benefit where specifically identifiable, with the remainder allocated on a proportional cost allocation method based primarily on net sales, as applicable. Management considers the expense methodology and resulting allocation to be reasonable for all periods presented; however, the allocations may not be indicative of actual expense that would have been incurred had we operated as an independent, publicly traded company for the periods presented. Actual costs that we may have incurred had we been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by our employees, and strategic decisions made in areas such as manufacturing, selling and marketing, research and development, information technology and infrastructure.

The income tax amounts in the combined financial statements have been calculated on a separate return method and presented as if our operations were separate taxpayers in the respective jurisdictions.

Following the spin-off, certain functions that Zimmer Biomet provided to us prior to the spin-off will either continue to be provided to us by Zimmer Biomet under a transition services agreements and a transition manufacturing and supply agreement or will be performed using our own resources or third-party service providers. Additionally, we will manufacture certain products for Zimmer Biomet on a transitional basis and Zimmer Biomet will manufacture certain products for us. We expect to incur certain costs to establish ourselves as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company.

The combined balance sheets include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to us, including certain assets that were historically held at the corporate level in Zimmer Biomet. All intercompany accounts and transactions have been eliminated. All transactions between us and Zimmer Biomet previously resulting in intercompany balances are considered to be effectively settled in the combined financial statements at the time the transaction is recorded. The total net effect of the settlement of these transactions is reflected in the combined statement of cash flows as a financing activity and in the combined balance sheets as net parent company investment. See Note 19 for additional information on related party transactions with Zimmer Biomet.

Zimmer Biomet maintains various employee benefits plans in which our employees participate, and a portion of the costs associated with these plans has been included in our combined financial statements. The combined balance sheets do not include assets and liabilities relating to these plans because Zimmer Biomet is the plan sponsor.

Our equity balance in these combined financial statements represents the excess of total assets over liabilities including the due to/from balances between us and Zimmer Biomet (net parent company investment) and accumulated other comprehensive income (loss) ("AOCI"). Net parent company investment is primarily impacted by contributions from Zimmer Biomet which are the result of treasury activities and net funding provided by or distributed to Zimmer Biomet. Our AOCI as of January 1, 2018 is based on the currency translation historically recorded on our specific assets and liabilities. Foreign currency translation recorded during the years ended December 31, 2020, 2019 and 2018 is based on currency movements specific to our combined financial statements.

Zimmer Biomet utilizes a central approach to treasury management and we historically participated in related cash pooling arrangements. Our cash and cash equivalents on the combined balance sheets represent cash balances from standalone entities that did not participate in such arrangements. We have no third-party borrowings. All borrowings by us due to Zimmer Biomet attributable to our business are recorded as "debt due to parent" in the combined balance sheets and classified as current or noncurrent based on loan maturity dates. Zimmer Biomet's third-party debt and related interest expense have not been attributed to us because we are not the legal obligor of the debt and the borrowings are not specifically identifiable to us. However, in connection with the spin-off, we expect to incur indebtedness and such indebtedness would result in additional interest expense in future periods.

Key Trends Affecting Our Results of Operations

Industry trends

The global market for our products is growing based upon the following trends which provides us the opportunity for increased volume and mix benefits in our reportable segments:

Spine products

- an aging population that results in people living longer and needing our products
- obesity, which places more strain on the musculoskeletal system
- more active lifestyles, which places more strain on the musculoskeletal system and drives patients to seek treatment to return to this lifestyle
- product innovations that result in better outcomes

Dental products

- an aging population that results in people living longer and needing our products
- under penetration of dental procedures, especially as it relates to our products as they become the new standard of care
- product innovations that result in better outcomes
- increasing demand for cosmetic dentistry

We expect pressure on our pricing as a result of continued cost containment efforts by governmental healthcare organizations and local hospitals and health systems. Pricing pressure has a greater impact on our spine products as they are generally covered by insurance and government healthcare programs, compared to our dental products, which patients more commonly pay for out-of-pocket.

COVID-19

The vast majority of our net sales are derived from products used in elective surgical procedures. As COVID-19 rapidly started to spread throughout the world in early 2020, our net sales decreased dramatically as countries took precautions to prevent the spread of the virus with lockdowns and stay-at-home measures and as hospitals and dental practices deferred elective surgical procedures. Additionally, since many of our dental products are not covered by insurance, economic uncertainty resulted in patients deferring procedures. The decline in forecasted net sales was the significant driver in the goodwill impairment charge of $142.0 million recognized in the year ended December 31, 2020. In response to the COVID-19 pandemic, we temporarily reduced discretionary spending such as travel, meetings and other project spend that could be delayed with limited long-term detriment to the business, and we temporarily suspended or limited production at certain manufacturing facilities. However, to date we have not experienced significant disruptions in our supply chain, or in our ability to meet our customer demands.

Cost reductions

We reduced our selling, general and administrative ("SG&A") expenses in 2020 when compared to previous years. The decline was driven by two primary factors: 1) a restructuring plan initiated by Zimmer Biomet in 2019 (the "2019 Restructuring Plan") that reduced operating costs in areas such as headcount, and 2) lower travel, promotional, and selling expenses driven by COVID-19. The cost savings from the 2019 Restructuring Plan are expected to continue after the spin-off. We expect travel, promotional, and selling expenses will increase as travel and conferences become safer due to vaccinations. However, we do not expect travel expenses to return to the same levels that existed prior to the pandemic, as we continue to better utilize technology that has made travel less necessary. Additionally, we expect increased corporate costs from becoming a standalone public entity.

Spine integration matters

Our current business is composed of various significant mergers that occurred in 2015 and 2016. Continued competition in the spine market and our inability to realize expected synergies of these mergers as quickly as planned resulted in goodwill impairment charges of $411.7 million in the year ended December 31, 2018. Additionally, we continued to incur significant integration expenses from these acquisitions in 2018.

Results of Operations

Fiscal Years Ended December 31, 2020, 2019 and 2018

Net Sales by Product Category

The following tables present net sales by product category and the components of the percentage changes (dollars in millions):

	Year Ended December 31,			Volume/		Foreign
	2020	2019	% (Dec)	Mix	Price	Exchange
Spine	$ 529.1	$ 607.6	(12.9) %	(11.4) %	(1.8) %	0.3 %
Dental	367.8	414.0	(11.1)	(11.5)	(0.5)	0.9
Third Party Sales	896.9	1,021.6	(12.2)	(11.4)	(1.3)	0.5
Related Party	15.5	33.9	(54.3)	N/A	N/A	N/A
Total	$ 912.4	$ 1,055.5	(13.6)	N/A	N/A	N/A

	Year Ended December 31,			Volume/		Foreign
	2019	2018	% Inc/(Dec)	Mix	Price	Exchange
Spine	$ 607.6	$ 633.7	(4.1) %	(1.1) %	(2.2) %	(0.8) %
Dental	414.0	411.2	0.7	3.2	(0.9)	(1.6)
Third Party Sales	1,021.6	1,044.9	(2.2)	0.6	(1.7)	(1.1)
Related Party	33.9	54.2	(37.5)	N/A	N/A	N/A
Total	$ 1,055.5	$ 1,099.1	(4.0)	N/A	N/A	N/A

Demand (Volume/Mix) Trends

As previously discussed, the demand for our products decreased significantly in 2020 as a result of COVID-19 due to lockdowns and stay-at-home measures and as hospitals and dental practices deferred elective surgical procedures. In 2019, the spine product category experienced increased competition in the key product areas of cervical and lumbar, which contributed to negative volume/mix trends. Within the dental product category, positive volume/mix trends reflect higher demand for tooth replacement procedures combined with the growing market segment of digital dentistry and biomaterials.

Pricing Trends

All of our product categories have experienced price declines in recent years, which we expect will continue. The spine product category decline has resulted from governmental healthcare cost containment efforts and similar efforts at local hospitals and health systems. The dental product category has also experienced price declines, but this trend varies by geographic region. Europe and Asia Pacific have experienced larger price erosion due to premium implant competition, while pricing in North America has been more favorable.

Foreign Currency Exchange Rates

In countries where we have a subsidiary, we sell to customers in their local currencies. Accordingly, our net sales as reported in U.S. Dollars are affected by changes in foreign currency exchange rates. We are primarily exposed to foreign currency exchange rate risk with respect to net sales denominated in Euros, Japanese Yen, Chinese Renminbi, Canadian Dollars, and Taiwan Dollars.

Expenses as a Percent of Net Sales

	Year Ended December 31,				
	2020	2019	2018	2020 vs. 2019 Inc/(Dec)	2019 vs. 2018 Inc/(Dec)
Cost of products sold, excluding intangible asset amortization	33.2 %	29.3 %	31.4 %	3.9 %	(2.1) %
Related party cost of products sold, excluding intangible asset amortization	1.1	2.3	3.4	(1.2)	(1.1)
Intangible asset amortization	9.4	7.9	8.7	1.5	(0.8)
Research and development	5.4	5.3	4.8	0.1	0.5
Selling, general and administrative	58.5	57.4	54.6	1.1	2.8
Goodwill impairment	15.6	—	37.5	15.6	(37.5)
Restructuring	1.1	0.2	—	0.9	0.2
Acquisition, integration, divestiture and related	0.2	0.3	2.8	(0.1)	(2.5)
Operating Loss	(24.4)	(2.6)	(43.1)	(21.8)	40.5

Cost of Products Sold and Intangible Asset Amortization

The increase in cost of products sold as a percentage of sales in 2020 compared to 2019 was primarily due to temporarily suspended or limited production at certain facilities, lower average selling prices and excess and obsolete inventory charges. The temporary suspension or limited production at certain manufacturing facilities due to lower demand from COVID-19 resulted in us immediately expensing certain fixed overhead costs and hourly production worker labor expenses that are included in the cost of inventory when these facilities are operating at normal capacity. Excess and obsolete inventory charges did not decline ratably with the significant decline in our net sales and therefore impacted our cost of products sold as a percentage of sales.

The decline in cost of products sold as a percentage of sales in 2019 compared to 2018 was primarily due to significant excess and obsolete inventory charges of $61.4 million recognized in 2018 compared to $30.6 million in 2019. This favorable decline was partially offset by lower average selling prices.

Intangible asset amortization as a percentage of net sales increased in 2020 compared to 2019 due to acquisitions made in 2020 and amortization expense not declining ratably with the significant decline in our net sales. The decline in intangible asset amortization as a percentage of net sales in 2019 compared to 2018 was due to certain intangible assets from previous acquisitions being fully amortized by the end of 2018.

Operating Expenses

Research & development as a percentage of net sales increased from 2018 to 2020. We continue to focus on innovation of key product segments. Expenses decreased in 2020 due to the 2019 Restructuring Plan and lower

spending on travel and project spend due to COVID-19, but increased as a percentage of net sales due to lower net sales as a result of COVID-19. Investments are focused on implant innovation and the next generation of flagship implant products of T3 and Tapered Screw Vent in the dental product category and Mobi-C and The Tether device in the spine product category.

SG&A expenses decreased in 2020 compared to 2019, but increased as a percentage of net sales. SG&A expenses decreased due to lower variable selling and distribution expenses from the decline in our net sales, COVID-19 cost reductions for travel, consulting and other projects, savings from the 2019 Restructuring Plan and lower allocated charges related to compliance remediation efforts from Zimmer Biomet's former Deferred Prosecution Agreement. The increase in SG&A expenses as a percentage of net sales is due to various fixed expenses that did not decline ratably with the significant decline in our net sales from COVID-19.

SG&A expenses increased in 2019 compared to 2018 due to investments in our salesforce to hire additional representatives and specialists in higher growth markets. Additionally, our instrument-related expenses increased in 2019 due to additional depreciation as well as charges for instrument impairments.

In 2020, we recognized a goodwill impairment charge of $142.0 million related to our dental reporting unit. In 2018, we recognized goodwill impairment charges of $411.7 million related to our spine reporting units. For more information regarding these charges, see Note 11 to our combined financial statements.

Restructuring expense is related to the Zimmer Biomet 2019 Restructuring Plan instituted by Zimmer Biomet in the fourth quarter of 2019 with an overall objective of reducing costs to allow it to invest in higher priority growth opportunities. We recognized expenses of $9.7 million and $1.8 million in the years ended December 31, 2020 and 2019, respectively, primarily related to employee termination benefits, contract terminations and retention period compensation and benefits. For more information regarding these expenses, see Note 4 to our combined financial statements.

Acquisition, integration, divestiture and related expenses declined in 2020 and 2019 from 2018 levels due to integration costs still being incurred in 2018 associated with significant acquisitions related to our spine business in 2016 and 2015.

Other Income (Expense), net, Interest Expense, net, and Income Taxes

Our non-operating other income (expense), net, primarily relates to the remeasurement of monetary assets and liabilities that are denominated in a currency other than the subsidiary's functional currency. Therefore, the income or expense varies from year-to-year based upon the volatility of foreign currency exchange rates.

Our interest expense, net, is on debt due to Parent and is insignificant.

Our effective tax rate ("ETR") on loss before income taxes was 19.1 percent and negative 0.1 percent for the years ended December 31, 2020 and 2019, respectively. In 2020, the income tax benefit was driven by reduced uncertain tax positions related to expiration of statutes of limitations, offset by a non-deductible goodwill impairment charge which resulted in a loss before taxes, but had no corresponding tax benefit. In 2019, the provision was primarily driven by certain discrete activities and intercompany restructuring activities.

Our ETR in future periods could also potentially be impacted by: changes in our mix of pre-tax earnings; changes in tax rates, tax laws or their interpretation; the outcome of various federal, state and foreign audits; and the expiration of certain statutes of limitations. Currently, we cannot reasonably estimate the impact of these items on our financial results.

Segment Operating Profit

	Net Sales			Operating Profit			Operating Profit as a Percentage of Net Sales		
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
(dollars in millions)	2020	2019	2018	2020	2019	2018	2020	2019	2018
Spine	$529.1	$607.6	$633.7	$56.2	$67.3	$52.4	10.6%	11.1%	8.3%
Dental	367.8	414.0	411.2	39.8	66.3	94.6	10.8	16.0	23.0

In 2020, both our segments net sales and operating profit were significantly impacted by COVID-19 causing deferrals of elective surgical procedures. In our spine business, despite lower sales in 2019, our operating profit increased, driven by lower excess and obsolete inventory charges. In our dental business, our operating profit declined from 2018 through 2019 as we made investments into our commercial organization that we believe will drive future net sales.

Non-GAAP Operating Performance Measures

Earnings before interest, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA are alternative views of our performance that we provide below because they are expected to be important internal measures for us. To calculate EBITDA, we start with our net losses and add in: i) interest expense, net, ii) benefit for income taxes, and iii) depreciation and amortization. To calculate our adjusted EBITDA, we also add back: i) share-based compensation, ii) goodwill impairment, iii) integration, restructuring and other expenses, and iv) other various costs.

We also believe EBITDA and Adjusted EBITDA are important metrics for debt investors who utilize debt-to-EBITDA ratios. Since EBITDA and Adjusted EBITDA are not measures determined in accordance with GAAP, they have no standardized meaning prescribed by GAAP and, therefore, may not be comparable to the calculation of a similar measure of other companies. These metrics should be considered in addition to, but not as a substitute for or superior to, information prepared in accordance with GAAP. As discussed above, our combined balance sheet and statement of earnings do not include an allocation of third-party debt or interest expense from Zimmer Biomet because we were not the legal obligor of the debt and because Zimmer Biomet's borrowings were not directly attributable to our business. However, in connection with the spin-off, we expect to incur debt and such indebtedness would cause us to record additional interest expense in future periods. See "Description of Certain Indebtedness."

The following are reconciliations from our GAAP net losses to EBITDA and Adjusted EBITDA as well as explanations of expenses and gains excluded from Adjusted EBITDA:

	Year ended December 31,		
	2020	2019	2018
Net Loss of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$(179.1)	$ (28.0)	$(460.4)
Interest expense, net	0.3	0.1	0.1
(Benefit) provision for income taxes	(42.3)	0.2	(14.8)
Depreciation and amortization	134.3	135.1	147.7
EBITDA	(86.8)	107.4	(327.4)
Share-based compensation(1)	10.2	10.7	8.5
Goodwill impairment(2)	142.0	—	411.7
Restructuring(3)	9.7	1.8	—
Acquisition, integration, divestiture and related(3)	2.2	3.2	30.8
Other various costs(4)	12.1	15.5	29.8
Adjusted EBITDA	$ 89.4	$138.6	$ 153.4

(1) We have excluded share-based compensation from adjusted EBITDA due to its non-cash nature.

(2) We have excluded goodwill impairment from adjusted EBITDA because of the significance of these charges and their non-cash nature.

(3) Restructuring, acquisition, integration, divestiture and related costs are expenses from our Parent's corporate restructuring program and from acquisitions and related integration that are directly related to the Company and are for a specified period of time. Therefore, we exclude these costs from adjusted EBITDA.

(4) We have excluded from adjusted EBITDA certain Parent-related allocated expenses from projects, events or other various costs that we consider highly variable and are for a specified period of time. These costs include expenses and gains from initial compliance with the EU MDR for previously-approved products, compliance with the Parent's Deferred Prosecution Agreement ("DPA") with the U.S. government related to certain FCPA matters,

allocation of costs from Zimmer Biomet's global restructuring program, allocation of costs related to Zimmer Biomet's integration activities of acquired businesses, and the impact from excess and obsolete inventory on certain product lines we intend to discontinue. The EU MDR imposes significant additional premarket and postmarket requirements. The new regulations provided a transition period until May 2021 for previously-approved medical devices to meet the additional requirements. For certain devices, this transition period can be extended until May 2024. We are excluding from adjusted EBITDA the incremental costs incurred to establish initial compliance with the regulations related to our previously-approved medical devices. The incremental costs primarily include temporary personnel and third-party professionals necessary to supplement our internal resources. Under the DPA, Zimmer Biomet was subject to oversight by an independent compliance monitor, which monitorship concluded in August 2020. The excluded costs include the fees paid to the independent compliance monitor and to external legal counsel and other third-party professionals assisting in the matter. The allocation of costs from Zimmer Biomet's global restructuring program relates to activities from which we indirectly benefitted. The costs include employee termination benefits; contract terminations for facilities and sales agents; and other charges, such as retention period salaries and benefits and relocation costs. Similarly, we benefited indirectly from Zimmer Biomet's integration of acquired businesses and were allocated costs from these activities. These integration activities were part of detailed integration roadmaps that had a specific period of time to be completed. The impact from excess and obsolete inventory on certain product lines we intend to discontinue was primarily driven by acquisitions where there are competing product lines and we have plans to discontinue one or more of the competing product lines.

Nine Months Ended September 31, 2021 and 2020

Net Sales by Product Category

The following tables present net sales by product category and the components of the percentage changes (dollars in millions):

	Nine Months Ended September 30,		% Inc/ (Dec)	Volume/ Mix	Price	Foreign Exchange
	2021	2020				
Spine	$ 405.2	$ 375.0	8.1%	8.7%	(1.8)%	1.2%
Dental	343.0	250.2	37.1	32.3	1.8	3.0
Third Party Sales	748.2	625.2	19.7	18.2	(0.4)	1.9
Related Party	4.8	12.3	(61.0)	N/A	N/A	N/A
Total	$ 753.0	$ 637.5	18.1	N/A	N/A	N/A

Demand (Volume/Mix) Trends

In 2021, our net sales have increased over the same prior year period primarily due to the significant deferral of elective surgical procedures at the onset of the COVID-19 pandemic in 2020 due to lockdowns and stay-at-home measures.

Pricing Trends

The Spine product category decline has resulted from governmental healthcare cost containment efforts and similar efforts at local hospitals and health systems. The Dental product category realized price increases in 2021 based upon concerted efforts to expand gross margin, including offering fewer sales promotions.

Foreign Currency Exchange Rates

In countries where we have a subsidiary, we sell to customers in their local currencies. Accordingly, our net sales as reported in U.S. Dollars are affected by changes in foreign currency exchange rates. We are primarily exposed to foreign currency exchange rate risk with respect to net sales denominated in Euros, Japanese Yen, Chinese Renminbi, Canadian Dollars, and Taiwan Dollars.

Expenses as a Percent of Net Sales

	Nine Months Ended September 30,		% Inc / (Dec)
	2021	2020	
Cost of products sold, excluding intangible asset amortization	34.1%	33.3%	0.8%
Related party cost of products sold, excluding intangible asset amortization	0.5	1.3	(0.8)
Intangible asset amortization	8.6	9.9	(1.3)
Research and development	5.8	5.7	0.1
Selling, general and administrative	53.8	61.4	(7.6)
Goodwill impairment	—	22.3	(22.3)
Restructuring	0.3	1.5	(1.2)
Acquisition, integration, divestiture and related	1.6	0.3	1.3
Operating Loss	(4.7)	(35.6)	30.9

Cost of Products Sold and Intangible Asset Amortization

The increase in cost of products sold as a percentage of net sales in 2021 compared to 2020 was primarily due to changes in product mix. Our costs of products sold as a percentage of net sales are higher in our Dental product category than compared to our Spine product category. Therefore, since our Dental net sales were a higher percentage of our overall net sales in the nine-month period ended September 30, 2021 when compared to the same prior year period, our overall costs of products sold as a percentage of net sales increased.

Intangible asset amortization expense increased in the nine-month period ended September 30, 2021 compared to the same prior year period due to additional amortization from an acquisition made in the fourth quarter of 2020.

Operating Expenses

R&D expenses increased in both amount and as a percentage of net sales in the nine-month period ended September 30, 2021 compared to the same prior year period. The increase in expenses in the nine-month period ended September 30, 2021 was primarily due to reengaging in R&D projects in the current year period compared to 2020 when COVID-19 caused delays in project spending.

SG&A expenses increased in the nine-month period ended September 30, 2021 when compared to the same prior year period. The increase was primarily due to higher variable selling and distribution costs from increased net sales, higher performance-based compensation in the current year period as similar costs were reduced in the prior year period due to the effect COVID-19 had on our operating results, increased medical training and education costs as we have partially resumed these activities and increased corporate costs as we prepare to operate as a standalone company. Despite the increase in SG&A expenses, SG&A as a percentage of net sales declined in the nine-month period ended September 30, 2021 when compared to the same prior year period as our SG&A expenses included many fixed costs that did not increase ratably with the increase in net sales in the 2021 period.

In the nine-month period ended September 30, 2020, we recognized a goodwill impairment charge of $142.0 million related to our Dental reporting unit. For more information regarding this charge, see Note 11 to our condensed combined financial statements.

Restructuring expense is related to the Zimmer Biomet 2019 Restructuring Plan instituted by Zimmer Biomet in the fourth quarter of 2019 with an overall objective of reducing costs to allow it to invest in higher priority growth opportunities. We recognized expenses of $2.3 million and $9.5 million in the nine-month periods ended September 30, 2021 and 2020, respectively, primarily related to employee termination benefits, consulting fees, facility relocation and retention period compensation and benefits. For more information regarding these expenses, see Note 5 to our condensed combined financial statements.

Acquisition, integration, divestiture and related expenses increased in the nine-month period ended September 30, 2021 when compared to the same prior year period primarily due to additional costs incurred to prepare us for separation from Zimmer Biomet. The most significant costs relate to information technology costs to separate our systems to be able to operate on a standalone basis.

Other Income (Expense), net, Interest Expense, net, and Income Taxes

Our non-operating other income (expense), net, primarily relates to the remeasurement of monetary assets and liabilities that are denominated in a currency other than the subsidiary's functional currency. Therefore, the income or expense varies from year-to-year based upon the volatility of foreign currency exchange rates.

Our interest expense, net, is on debt due to Parent and is insignificant.

Our effective tax rate ("ETR") on loss before income taxes was 3.6 percent and 4.9 percent for the nine-month periods ended September 30, 2021 and 2020, respectively. In 2021, the income tax benefit was lower than our statutory tax rate driven by unfavorable jurisdictional mix in addition to expense for increasing valuation allowances. In 2020, the benefit was lower than the statutory rate driven by a non-deductible goodwill impairment charge which resulted in a loss before taxes, but had no corresponding tax benefit.

Our ETR in future periods could also potentially be impacted by: changes in our mix of pre-tax earnings; changes in tax rates, tax laws or their interpretation; the outcome of various federal, state and foreign audits; and the expiration of certain statutes of limitations. Currently, we cannot reasonably estimate the impact of these items on our financial results.

Segment Operating Profit

	Net Sales		Operating Profit		Operating Profit as a Percentage of Net Sales	
	Nine Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions)	2021	2020	2021	2020	2021	2020
Spine	$ 405.2	$ 375.0	$ 46.3	$ 30.4	11.4%	8.1%
Dental	343.0	250.2	67.6	20.0	19.7	8.0

In the nine-month period ended September 30, 2021, both our segments' net sales and operating profit increased when compared the same prior year period since the 2020 results were significantly impacted by COVID-19 causing deferrals of elective surgical procedures. Since our operating expenses include many fixed costs, as net sales increase operating expenses do not increase ratably and therefore resulted in increases in operating profit as a percentage of net sales.

Non-GAAP Operating Performance Measures

The following are reconciliations from our GAAP net losses to EBITDA and Adjusted EBITDA as well as explanations of expenses and gains excluded from Adjusted EBITDA:

	Nine Months Ended September 30,	
	2021	2020
Net Loss of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$(34.6)	$(215.6)
Interest expense, net	0.3	0.2
Benefit for income taxes	(1.3)	(11.0)
Depreciation and amortization	95.7	100.2

	Nine Months Ended September 30,	
	2021	2020
EBITDA	$ 60.1	$ (126.2)
Share-based compensation(1)	8.8	7.8
Goodwill impairment(2)	—	142.0
Restructuring(3)	2.3	9.5
Acquisition, integration, divestiture and related(3)	12.0	1.7
Other various costs(4)	16.3	10.5
Adjusted EBITDA	$ 99.5	$ 45.3

(1) We have excluded share-based compensation from adjusted EBITDA due to its non-cash nature.

(2) We have excluded goodwill impairment from adjusted EBITDA because of the significance of these charges and their non-cash nature.

(3) Restructuring, acquisition, integration, divestiture and related costs are expenses from our Parent's corporate restructuring program and from acquisitions and related integration that are directly related to the Company and are for a specified period of time. Therefore, we exclude these costs from adjusted EBITDA.

(4) We have excluded from adjusted EBITDA certain Parent-related allocated expenses from projects, events or other various costs that we consider highly variable and are for a specified period of time. These costs include expenses and gains from initial compliance with the EUMDR for previously-approved products, compliance with the Parent's Deferred Prosecution Agreement ("DPA") with the U.S. government related to certain FCPA matters, allocation of costs from Zimmer Biomet's global restructuring program, allocation of costs related to Zimmer Biomet's integration activities of acquired businesses, and the impact from excess and obsolete inventory on certain product lines we intend to discontinue. The EU MDR imposes significant additional premarket and postmarket requirements. The new regulations provided a transition period until May 2021 for previously approved medical devices to meet the additional requirements. For certain devices, this transition period can be extended until May 2024. We are excluding from adjusted EBITDA the incremental costs incurred to establish initial compliance with the regulations related to our previously-approved medical devices. The incremental costs primarily include temporary personnel and third-party professionals necessary to supplement our internal resources. Under the DPA, Zimmer Biomet was subject to oversight by an independent compliance monitor, which monitorship concluded in August 2020. The excluded costs include the fees paid to the independent compliance monitor and to external legal counsel and other third-party professionals assisting in the matter. The allocation of costs from Zimmer Biomet's global restructuring program relates to activities from which we indirectly benefitted. The costs include employee termination benefits; contract terminations for facilities and sales agents; and other charges, such as retention period salaries and benefits and relocation costs. Similarly, we benefited indirectly from Zimmer Biomet's integration of acquired businesses and were allocated costs from these activities. These integration activities were part of detailed integration roadmaps that had a specific period of time to be completed. The impact from excess and obsolete inventory on certain product lines we intend to discontinue was primarily driven by acquisitions where there are competing product lines and we have plans to discontinue one or more of the competing product lines.

Liquidity and Capital Resources

We have historically participated in Zimmer Biomet's centralized approach to treasury, including financing and cash management activities. We have no third-party borrowings as of December 31, 2020. Under this centralized approach, cash management is performed through cash pooling arrangements. Certain of our entities have standalone cash accounts that are not included in the centralized cash pooling arrangement. All cash balances specifically identifiable to us are included in the combined balance sheets and statement of cash flows. Cash flows presented in these combined statement of cash flows may not be indicative of the cash flows we would have recognized had we operated as an independent, publicly traded company for the periods presented.

Sources of Liquidity

Cash flows provided by operating activities were $86.0 million in 2020 compared to $119.2 million and $162.0 million in 2019 and 2018, respectively. We are able to generate positive operating cash flows despite our reported net losses that are driven by significant non-cash expenses such as goodwill impairment, intangible asset amortization and depreciation. In the periods presented, 2018 had the highest level of operating cash flows driven by the highest level of sales and we began participating in Zimmer Biomet's accounts receivable purchase arrangement in the United States during the period. Operating cash flows declined in 2019 from 2018 due to lower sales and less benefit from the trade receivables program due to its revolving nature. The decline in cash flow from operating activities in 2020 from 2019 was primarily the result of COVID-19 reducing our cash inflows due to lower net sales while we continued to pay many fixed operating costs. Additionally, in 2020 we terminated our accounts receivable purchase arrangements in the United States and Japan.

Cash flows used in investing activities were $49.5 million in 2020 compared to $84.6 million and $50.3 million in 2019 and 2018, respectively. Instrument and property, plant and equipment additions reflected ongoing investments in our product portfolio and optimization of our manufacturing and logistics network. In order to preserve cash due to the significant effects COVID-19 had on our business, we prioritized certain investments in 2020 which resulted in lower overall investments. As further discussed in Note 10 to our combined financial statements, we made various acquisitions in 2020 and 2019 which resulted in cash outflows from investing activities.

Cash flows used in financing activities were $46.5 million in 2020 compared to $43.7 million and $97.3 million in 2019 and 2018, respectively. As further discussed in Note 20 to our combined financial statements, the primary use of cash from financing activities was related to transactions with Zimmer Biomet. Additionally, certain debt due to Parent was paid in 2018.

Cash flows provided by operating activities were $42.9 million in the nine-month period ended September 30, 2021 compared to net cash used in operations of $5.7 million in the same prior year period. The return to positive operating cash flows in the 2021 period resulted from the increase in net sales as elective surgical procedures returned. In the nine-month period ended September 30, 2020, we recognized operating cash outflows due to lower net sales as a result of COVID-19 while we continued to pay many fixed operating costs. Additionally, in the 2020 period we terminated our accounts receivable purchase arrangements in the U.S. and Japan which had a negative effect on operating cash flows.

Cash flows used in investing activities were $37.9 million in the nine-month period ended September 30, 2021 compared to $29.4 million in the same prior year period. Instrument and property, plant and equipment additions reflected ongoing investments in our product portfolio and optimization of our manufacturing and logistics network. In order to preserve cash due to the significant effects COVID-19 had on our business, we prioritized investments in 2020 which resulted in lower additions. Additionally, in the 2021 period we have made investments in property, plant and equipment as we prepare to separate from Zimmer Biomet.

Cash flows used in financing activities were $7.5 million in the nine-month period ended September 30, 2021 compared to cash flows provided by financing activities of $27.8 million in the same prior year period. As further discussed in Note 17 to our condensed combined financial statements, the primary use of cash from financing activities was related to transactions with Zimmer Biomet.

Post Spin-Off Liquidity and Capital Resources

Subsequent to the spin-off, we will no longer participate in the centralized treasury management of Zimmer Biomet. Our ability to fund our operations and capital needs depends upon our ability to generate ongoing cash from operations and to access the capital markets. Our principal uses of cash in the future will be primarily to fund our operations, working capital needs, capital expenditures, repayment of borrowings and strategic business development transactions.

We expect to incur indebtedness in connection with the spin-off, of which a portion will be paid to Zimmer Biomet as a distribution. We believe that future cash from operations will provide us the opportunity to enter into financing arrangements and access capital markets to provide adequate resources to fund our future cash flow needs.

Critical Accounting Estimates

Our financial results are affected by the selection and application of accounting policies and methods. Significant accounting policies which require management's judgment are discussed below.

Excess Inventory and Instruments

We must determine as of each balance sheet date how much, if any, of our inventory may ultimately prove to be unsaleable or unsaleable at our carrying cost. Similarly, we must also determine if instruments on hand will be put to productive use or remain undeployed as a result of excess supply. Accordingly, inventory and instruments are written down to their net realizable value. To determine the appropriate net realizable value, we evaluate current stock levels in relation to historical and expected patterns of demand for all of our products and instrument systems and components. The basis for the determination is generally the same for all inventory and instrument items and categories except for work-in-process inventory, which is recorded at cost. Obsolete or discontinued items are generally destroyed and completely written off. Management evaluates the need for changes to the net realizable values of inventory and instruments based on market conditions, competitive offerings and other factors on a regular basis.

Income Taxes

Our income tax expense, deferred tax assets and liabilities and reserves for unrecognized tax benefits reflect management's best assessment of estimated future taxes to be paid. We are subject to income taxes in the United States and numerous foreign jurisdictions. Significant judgments and estimates are required in determining income tax expense.

We estimate income tax expense and income tax liabilities and assets by taxable jurisdiction. Realization of deferred tax assets in each taxable jurisdiction is dependent on our ability to generate future taxable income sufficient to realize the benefits. We evaluate deferred tax assets on an ongoing basis and provide valuation allowances unless we determine it is "more likely than not" that the deferred tax benefit will be realized.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. We are subject to regulatory review or audit in virtually all of those jurisdictions and those reviews and audits may require extended periods of time to resolve. We record our income tax provisions based on our knowledge of all relevant facts and circumstances, including existing tax laws, our experience with previous settlement agreements, the status of current examinations and our understanding of how the tax authorities view certain relevant industry and commercial matters.

We recognize tax liabilities in accordance with the Financial Accounting Standards Board guidance on income taxes and we adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

Commitments and Contingencies

We are involved in various ongoing proceedings, legal actions and claims arising in the normal course of doing business, including litigation related to product, labor and intellectual property. We establish liabilities for loss

contingencies when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Accruals for product liability and other claims are established with the assistance of internal and external legal counsel based on current information and historical settlement information for claims, related legal fees and for claims incurred but not reported.

Goodwill and Intangible Assets

We evaluate the carrying value of goodwill annually, or whenever events or circumstances indicate the carrying value may not be recoverable. We evaluate the carrying value of finite life intangible assets whenever events or circumstances indicate the carrying value may not be recoverable. Significant assumptions are required to estimate the fair value of goodwill and intangible assets, most notably estimated future cash flows generated by these assets and risk-adjusted discount rates. As such, these fair value measurements use significant unobservable inputs. Changes to these assumptions could require us to record impairment charges on these assets.

We recognized a goodwill impairment charge of $142.0 million related to the dental reporting unit in the year ended December 31, 2020. Fair value of the goodwill was determined using income and market approaches. Fair value under the income approach was determined by discounting to present value the estimated future cash flows of the reporting units. Significant assumptions are incorporated into our discounted cash flow analyses, such as estimated revenue growth rates, gross margins, operating margins and risk-adjusted discount rates. Fair value under the market approach utilized the guideline public company methodology, which uses valuation indicators determined from other businesses that are similar to our reporting units.

Future impairment in our reporting units could occur if the estimates used in the income and market approaches change. If our estimates of profitability in the reporting unit decline, the fair value estimate under the income approach will decline. Additionally, changes in the broader economic environment could cause changes to our estimated discount rates and comparable company valuation indicators, which may impact our estimated fair values. Further, changes in foreign currency exchange rates could increase the cost of procuring inventory and services from foreign suppliers, which could reduce reporting unit profitability.

Our last goodwill impairment test on the dental reporting unit was performed in the fourth quarter of 2020. At that time, our dental reporting unit’s fair value was estimated to be approximately 13 percent greater than its carrying value. As of December 31, 2020, $273.7 million of goodwill remained for the dental reporting unit.

Corporate Allocations

We have historically operated as part of Zimmer Biomet and not as a separate, publicly traded company. Accordingly, certain shared costs have been allocated to us and are reflected as expenses in the accompanying combined statements of earnings. Management considers the expense methodology and resulting allocation to be reasonable for all periods presented; however, the allocations may not be indicative of actual expenses that would have been incurred had we operated as an independent, publicly traded company for the periods presented. Actual costs that we may have incurred had we been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by our employees, and strategic decisions made in areas such as manufacturing, selling and marketing, research and development, information technology and infrastructure.

Recent Accounting Pronouncements

See Note 2 to our combined financial statements for information on how recent accounting pronouncements have affected or may affect our financial position, results of operations or cash flows.

Market Risk

We are exposed to certain market risks as part of our ongoing business operations, including risks from changes in foreign currency exchange rates, interest rates and commodity prices that could affect our financial condition, results of operations and cash flows.

Foreign Currency Exchange Risk

We operate on a global basis and are exposed to the risk that our financial condition, results of operations and cash flows could be adversely affected by changes in foreign currency exchange rates. We are primarily exposed to foreign currency exchange rate risk with respect to transactions and net assets denominated in Euros, Japanese Yen, Chinese Renminbi, Canadian Dollars, and Taiwan Dollars. Zimmer Biomet manages the foreign currency exposure centrally, on a combined basis, which allows it to net exposures and to take advantage of any natural offsets. To reduce the uncertainty of foreign currency exchange rate movements on transactions denominated in foreign currencies, Zimmer Biomet enters into derivative financial instruments in the form of foreign currency exchange forward contracts with major financial institutions. These forward contracts are designed to hedge anticipated foreign currency transactions, primarily intercompany sale and purchase transactions, for periods consistent with commitments. Realized and unrealized gains and losses on these contracts that qualify as cash flow hedges are temporarily recorded in accumulated other comprehensive income, then recognized in cost of products sold when the hedged item affects net earnings. We have participated in this hedging program and the combined statements of earnings reflects a proportional allocation of the effects of this program. However, since Zimmer Biomet is the legal obligor of these forward contracts, we have not recognized any assets or liabilities on our combined balance sheet, nor in our combined statement of other comprehensive income. Following the spin-off, we intend to implement a foreign currency risk management program on our own behalf.

Commodity Price Risk

We purchase raw material commodities such as cobalt chrome, titanium, tantalum, polymer and sterile packaging. We enter into supply contracts generally with terms of 12 to 24 months, where available, on these commodities to alleviate the effect of market fluctuation in prices. As part of our risk management program, we perform sensitivity analyses related to potential commodity price changes. A 10 percent price change across all these commodities would not have a material effect on our combined financial position, results of operations or cash flows.

Interest Rate Risk

Our interest expense and related risks as reported in our combined statements of earnings are immaterial. Our combined balance sheets and statements of earnings do not include an allocation of third-party debt or interest expense from Zimmer Biomet because we are not the legal obligor of the debt and the borrowings were not directly attributable to our business. We expect to incur indebtedness in connection with the spin-off, at which time our exposure to interest rate risk is expected to increase.

Credit Risk

Financial instruments, which potentially subject us to concentrations of credit risk, are primarily cash and cash equivalents, derivative instruments and accounts receivable.

We place our cash and cash equivalents with highly-rated financial institutions and limit the amount of credit exposure to any one entity. We believe we do not have any significant credit risk on our cash and cash equivalents.

Our concentrations of credit risks with respect to trade accounts receivable is limited due to the large number of customers and their dispersion across a number of geographic areas and by frequent monitoring of the creditworthiness of the customers to whom credit is granted in the normal course of business. Substantially all of our trade receivables

are concentrated in the public and private hospital and dental practices in the healthcare industry in the United States and internationally or with distributors or dealers who operate in international markets and, accordingly, are exposed to their respective business, economic and country specific variables. Our ability to collect accounts receivable in some countries depends in part upon the financial stability of these hospital and healthcare sectors and the respective countries' national economic and healthcare systems. Most notably, in Europe healthcare is typically sponsored by the government. Since we sell products to public hospitals in those countries, we are indirectly exposed to government budget constraints. To the extent the respective governments' ability to fund their public hospital programs deteriorates, we may have to record significant bad debt expenses in the future.

While we are exposed to risks from the broader healthcare industry in Europe and around the world, there is no significant net exposure due to any individual customer. Exposure to credit risk is controlled through credit approvals, credit limits and monitoring procedures, and we believe that reserves for losses are adequate.

MANAGEMENT

Executive Officers Following the Distribution

Set forth below is information relating to the individuals who are expected to serve as our executive officers following the completion of the distribution. While our executive officers are currently officers and employees of Zimmer Biomet, after the distribution, none of these individuals will be officers or employees of Zimmer Biomet.

Name	Age	Position
Vafa Jamali	51	President, Chief Executive Officer and Director
Richard Heppenstall	51	Executive Vice President, Chief Financial Officer and Treasurer
Rebecca Whitney	45	Senior Vice President and President, Global Spine
Indraneel Kanaglekar	44	Senior Vice President and President, Global Dental
David Harmon	54	Senior Vice President, Chief Human Resources Officer
Heather Kidwell	53	Senior Vice President, Chief Legal and Compliance Officer and Corporate Secretary

Mr. Jamali joined Zimmer Biomet in February 2021 to serve as the Chief Executive Officer ("CEO") of ZimVie. Mr. Jamali was further appointed as President of ZimVie in December 2021. Previously, Mr. Jamali served as the Chief Commercial Officer of Rockley Photonics, where he led commercial strategic planning for the early-stage integrated optics solutions provider from October 2020 until joining Zimmer Biomet. Prior to that, Mr. Jamali served as Senior Vice President and President, Respiratory, Gastrointestinal and Informatics ("RGI") of Medtronic plc from May 2017 until October 2020. Before leading the RGI business, he served as Senior Vice President and President, Early Technologies of Medtronic plc from January 2016 until May 2017 and prior to that he served as Vice President and General Manager, GI Solutions of Medtronic plc from January 2015 until January 2016. Before joining Medtronic, Mr. Jamali held leadership positions with Covidien plc, Cardinal Health, Inc. and Baxter International Inc. He received his Bachelor of Commerce degree with distinction from the University of Alberta in Edmonton, Canada and has completed a number of executive leadership programs, including the Harvard Executive Leadership Program in 2020.

Mr. Heppenstall was appointed Executive Vice President and Chief Financial Officer of ZimVie in September 2021. Mr. Heppenstall was further appointed as Treasurer of ZimVie in January 2022. Previously, Mr. Heppenstall served as Chief Financial Officer of Breg, Inc., a global manufacturer and solutions provider of orthopedic braces, cold therapy and other medical equipment, from April 2019 to September 2021. Before joining Breg, Inc., he served as Senior Vice President, Finance and Treasury of Orthofix Medical Inc., a global medical device company focused on musculoskeletal products and therapies, from May 2015 to April 2019. Prior to that, Mr. Heppenstall held senior leadership roles at Solera Holdings, Inc., Flowserve Corporation and CooperVision Inc. He holds a Bachelor of Arts in Economics from University of California, Irvine and an MBA from Santa Clara University.

Ms. Whitney was appointed Senior Vice President and President, Global Spine of ZimVie in April 2021. Previously, Ms. Whitney served as Vice President, ASC/Outpatient Solutions and Efficient Care of Zimmer Biomet from July 2019 until April 2021. She joined Zimmer Biomet in June 2014 as Senior Director of Global Marketing for the Spine organization. In December 2015, she was promoted to Vice President of Global Marketing for Spine and in April 2018 she was promoted to General Manager, Global Spine, a position she held until July 2019. Ms. Whitney began her career as a product manager with BD Medical Systems. She then led the sales and marketing efforts for a small start-up before selling the company to CR Bard. After working for Galen Partners, a private equity firm, she joined Covidien plc as a Global Director of Marketing. Following another start-up venture that was sold to GE Healthcare, Ms. Whitney joined Zimmer Biomet. She holds a Bachelor of Science in Organizational Communications and an MBA from the University of Utah.

Mr. Kanaglekar was appointed Senior Vice President and President, Global Dental of ZimVie in June 2021. Previously, Mr. Kanaglekar served as Vice President and General Manager of Zimmer Biomet Dental from July 2017 until April 2021. Mr. Kanaglekar joined Zimmer Biomet's Dental organization in June 2012 as Director, Business Development. In June 2015, he was promoted to Vice President, Business Development and PMO and in January 2017, he was promoted to General Manager, Asia Pacific of Zimmer Biomet Dental. Prior to joining Zimmer Biomet, Mr. Kanaglekar worked in the life sciences industry in research and development, sales and marketing consulting, and business development with Agilent Technologies, ZS Associates and Beckman Coulter (a Danaher operating company), respectively. He holds a Bachelor of Technology in Materials Science from the Indian Institute of Technology Bombay, a Master of Science in Materials Science from the University of Wisconsin-Madison and an MBA from the University of Chicago Booth School of Business.

Mr. Harmon was appointed Senior Vice President, Chief Human Resources Officer of ZimVie in September 2021. Previously, Mr. Harmon served as Chief People Officer of Gannett Co., Inc. from 2015 to 2021. Before joining Gannett Co., Inc., he served as Chief Human Capital Officer and Deputy Director, Technology of the Federal Reserve Board from 2012 until 2015. From 2003 to 2011, Mr. Harmon served in roles of increasing responsibility in human resources and operational functions with AOL Inc., most recently as Executive Vice President, Human Resources and Corporate Services, from 2007 to 2011. Mr. Harmon holds a BA in Psychology from Skidmore College, an MBA from Clarkson University, and a Master of Science in Operations Management and Graduate Certificate in Human Resources from Keller Graduate School of Management.

Ms. Kidwell was appointed Senior Vice President, Chief Legal and Compliance Officer and Corporate Secretary of ZimVie in June 2021. Previously, Ms. Kidwell served as Vice President, Associate General Counsel and Assistant Secretary of Zimmer Biomet from July 2017 until June 2021. Ms. Kidwell joined Zimmer Biomet in December 2009 as Senior Corporate Counsel and Assistant Secretary and was promoted to Vice President, Senior Corporate Counsel and Assistant Secretary in November 2012. Before joining Zimmer Biomet, Ms. Kidwell was a Partner with the law firm now known as Faegre Drinker Biddle & Reath LLP. Ms. Kidwell holds a Bachelor of Science in Accounting from Indiana State University and a Juris Doctor from Indiana University Maurer School of Law.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Structure and Directors Following the Distribution

Set forth below is information, as of January 21, 2022, regarding the persons who are expected to serve on our board of directors following the completion of the distribution. All of the nominees will be presented to Zimmer Biomet as our Company's sole stockholder for election prior to the separation.

Following the completion of the distribution, we expect our board of directors to be composed of a majority of independent directors. Our amended and restated certificate of incorporation provides for a classified board of directors until the annual stockholder meeting in 2026. We currently have one director in Class I, two directors in Class II and two directors in Class III. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The directors designated below as Class I directors will have terms expiring at the first annual meeting of stockholders following the distribution, which the Company expects to hold in 2023, and will be up for re-election at that meeting for a three-year term to expire at the 2026 annual meeting of stockholders. The directors designated below as Class II directors will have terms expiring at the following year's annual meeting of stockholders, which the Company expects to hold in 2024, and will be up for re-election at that meeting for a two-year term to expire at the 2026 annual meeting of stockholders. The directors designated below as Class III directors will have terms expiring at the following year's annual meeting of stockholders, which the Company expects to hold in 2025, and will be up for re-election at that meeting for a one-year term to expire at the 2026 annual meeting of stockholders. Commencing with the 2026 annual meeting of stockholders, directors will be elected annually and for a term of office to expire at the next annual meeting of stockholders, and our board of directors will thereafter no longer be divided into classes. Before our board of directors is declassified, it would take at least three years after the completion of the distribution for any individual or group to gain control of our board of directors.

At any meeting of stockholders for the election of directors at which a quorum is present, the election will be determined by a majority of the votes cast by the stockholders entitled to vote in the election, with directors not receiving a majority of the votes cast required to tender their resignations for consideration by the board of directors, except that in the case of a contested election, the election will be determined by a plurality of the votes cast by the stockholders entitled to vote in the election.

The number of members on our board of directors may be fixed by resolution adopted from time to time by the board of directors pursuant to a resolution adopted by a majority of the whole board (but shall not be less than three). Any vacancies or newly created directorships may be filled only by the affirmative vote of a majority of directors then in office, even if less than a quorum and not by the stockholders. Each director shall hold office until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation or removal.

Set forth below is biographical information as well as background information relating to each director's business experience, qualifications, attributes and skills and why we believe each individual is a valuable member of the board of directors.

Class I—Director Whose Term Expires in 2023

Name	Age
Vinit Asar	55

Class II—Directors Whose Term Expires in 2024

Name	Age
Karen Matusinec	55
Sally Crawford	68

Class III—Directors Whose Term Expires in 2025

Name	Age
David King	65
Vafa Jamali	51

Mr. King has been Managing Member of Kingman LLC, a strategic healthcare consulting company, since August 2020. Previously he served as an Operating Partner at Pritzker Private Capital from August 2020 through December 2021, co-leading the firm's activities in the healthcare sector. Prior to joining Pritzker Private Capital, Mr. King was most recently the Chief Executive Officer of Labcorp (NYSE: LH), a leading global life sciences company, from 2007 to 2019. At Labcorp, Mr. King also served as the Executive Chairman of the Board from November 2019 to May 2020, and as the Non-Executive Chairman of the Board from May 2009 to October 2019. Mr. King is the board chair of PATH, a global nonprofit dedicated to furthering health equity, and a member of the advisory board for Duke University's Robert J. Margolis, MD, Center for Health Policy. Mr. King previously served on the boards of Cardinal Health (NYSE: CAH), Elon University and the American Clinical Laboratory Association, where he served as board chair from 2010 to 2014. Mr. King is also on the board of Privia Health (NASDAQ: PRVA) and the Emily K Center, a college-readiness center in Durham, North Carolina, founded by Mike Krzyzewski, the head coach of the Duke University Men's Basketball team. Mr. King earned a bachelor's degree, cum laude, from Princeton University and a Juris Doctor, cum laude, from the University of Pennsylvania Law School. Mr. King will bring to the board of directors extensive executive leadership experience, a deep understanding of the healthcare industry as well as public company operational expertise.

Ms. Crawford served as Chief Operating Officer of Healthsource, Inc., a publicly-held managed care organization, from its founding in 1985 until 1997. During her tenure at Healthsource, she led the development of its operating systems and marketing strategies and supported strategic alliances with physicians, hospitals, insurers, and other healthcare companies. Since 1997, Ms. Crawford has been a healthcare consultant. She serves on the Boards of Directors of Hologic, Inc. (NASDAQ: HOLX), Abcam PLC (NASDAQ: ABCM) and Prolacta Bioscience Inc. She previously served on the Boards of Directors of Insulet Corporation (NASDAQ: PODD) until December 2021 and Universal American Corp. until its acquisition by WellCare Health Plans, Inc. in April 2017. Ms. Crawford earned a Bachelor of Arts from Smith College and a Master of Science from Boston University. Ms. Crawford will bring to the board of directors governance experience, operational experience and a detailed understanding of the healthcare and managed care industries that are relevant to our business.

Ms. Matusinec served as Senior Vice President, Treasurer of McDonald's Corporation (NYSE: MCD) from October 2011 until July 2021. In that role, Ms. Matusinec had responsibility for McDonald's global Treasury, Tax, Insurance, and Global Business Services functions. Prior to that, she served as McDonald's Vice President, Corporate Tax from September 2006 to September 2011. Ms. Matusinec joined McDonald's in October 2003 as Director, Corporate Tax. Before joining McDonald's, she served as a tax consultant and tax auditor with Arthur Andersen and Deloitte specializing in international tax planning, consulting, and tax accounting for large multinational companies. Ms. Matusinec began her career in corporate tax in the financial services industry with Bank One and Northwestern National Insurance Company. Ms. Matusinec earned a bachelor's degree in accounting from University of Wisconsin-Milwaukee and a master's degree in taxation from DePaul University. Ms. Matusinec will bring to the board of directors significant financial expertise and extensive experience in treasury, tax, insurance, shared services and risk management.

Mr. Asar has been the President and Chief Executive Officer and a member of the Board of Directors of Hanger, Inc. (NYSE: HNGR) since May 2012. Previously, he served as Hanger's President and Chief Operating Officer from September 2011 to May 2012, and as Hanger's Executive Vice President and Chief Growth Officer from December 2008 to September 2011. Mr. Asar joined Hanger from the Medical Device & Diagnostic sector at Johnson & Johnson (NYSE: JNJ), having worked at the Ethicon, Ethicon Endo Surgery, Cordis, and Biosense Webster franchises. During his eighteen-year career at Johnson & Johnson, Mr. Asar held various roles of increasing responsibility in Finance, Product Development, Manufacturing, and Marketing and Sales in the United States and in Europe. Mr. Asar earned a BSBA from Aquinas College and an MBA from Lehigh University. Mr. Asar will bring to the board of directors executive and public company experience as well as significant experience in the healthcare products and services industry.

For the biography of Vafa Jamali, see the section entitled "Management—Executive Officers Following the Distribution."

Director Independence

A majority of our board of directors will be composed of directors who are "independent" as defined under the rules of Nasdaq. We will seek to have all of our non-management directors qualify as "independent" under these standards. Our board of directors will affirmatively determine the independence of each non-employee director and consider all factors relevant in determining whether he or she has a relationship to our Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In determining which directors are "independent," our board of directors will use the definition contained in the corporate governance requirements of Nasdaq as in effect from time to time.

Our board of directors will assess on a regular basis, and at least annually, the independence of directors and, based on the recommendation of the Corporate Governance Committee, will make a determination as to which members are independent.

Committees of the Board of Directors

Effective upon the completion of the distribution, our board of directors will have the following standing committees: an Audit Committee, a Compensation Committee, a Corporate Governance Committee and a Quality, Regulatory and Technology Committee.

Audit Committee. Following the completion of the distribution, our Audit Committee will be directly responsible for the appointment, retention, compensation and oversight of our independent registered public accounting firm, including the review and approval of audit fees. The principal functions of the Audit Committee will include:

- pre-approving all auditing services and permissible non-audit services provided to us by our independent registered public accounting firm;
- reviewing with our independent registered public accounting firm and with management the proposed scope of the annual audit, past audit experience, our program for the internal examination and verification of our accounting records and the results of recently completed internal examinations;
- reviewing and discussing with management and our independent registered public accounting firm our quarterly and annual financial statements prior to their public release;
- reviewing major issues as to the adequacy of our internal controls;
- overseeing our compliance with certain legal and regulatory requirements, including oversight of our Corporate Compliance Program, and aspects of our risk management processes; and
- reviewing and discussing with management our privacy, data security, business continuity and cyber security-related risk exposures.

Following the completion of the distribution, the members of the Audit Committee are expected to be Karen Matusinec (Chairperson), David King, Vinit Asar and Sally Crawford. Our board of directors is expected to determine that each member of the Audit Committee is "independent" as defined under the rules of Nasdaq and the SEC. Our board of directors is expected to designate Karen Matusinec, David King and Vinit Asar as "audit committee financial experts" as defined by SEC rules. Stockholders should understand that this designation is an SEC disclosure requirement related to these directors' experience and understanding with respect to certain accounting and auditing matters. The designation does not impose upon these directors any duties, obligations or liabilities that are greater than those that are generally imposed on them as members of the Audit Committee and the board of directors, and their designation as audit committee financial experts pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or the board of directors.

Compensation Committee. Following the completion of the distribution, our Compensation Committee will have the overall responsibility for approving and evaluating our executive compensation plans, policies and programs. The duties of the Compensation Committee will include:

- evaluating the CEO's performance, including in light of the goals and objectives applicable to the CEO, and reviewing and discussing with the CEO the performance of our other executive officers;
- reviewing and approving the base salary, annual and long-term incentive compensation and other compensation, perquisites or special or supplemental benefits to be paid or awarded to our CEO and other executive officers;
- approving and authorizing the company to enter into any severance arrangements, change in control severance agreements or other compensation-related agreements with our executive officers, in each case as, when and if appropriate;
- reviewing and making recommendations to our board of directors with respect to our incentive compensation and equity-based plans;
- administering our incentive compensation and equity-based plans, including making awards under such plans;
- monitoring compliance by our executive officers and directors with our stock ownership guidelines;
- overseeing the process for identifying and addressing any material risks relating to our compensation policies and practices;
- cooperating with the Corporate Governance Committee in reviewing non-employee director compensation and providing input with respect to any proposed changes in director compensation;
- as part of periodic organization and talent planning, either as part of the full board of directors, or at the board of directors' direction, reviewing talent and development plans relative to senior management;
- either as part of the full board of directors, or at the board of directors' direction, reviewing and monitoring our policies and strategies related to human capital management;
- reviewing and discussing with management the Compensation Discussion and Analysis required by SEC regulations and, if appropriate, recommending its inclusion in our Annual Report on Form 10-K and proxy statement; and
- reviewing the results of non-binding advisory votes on executive compensation and determining whether changes should be made to our executive compensation policies and programs in light of stockholder feedback.

Following the completion of the distribution, the members of the Compensation Committee are expected to be Sally Crawford (Chairperson), Karen Matusinec, David King and Vinit Asar. Our board of directors is expected

to determine that each member of the Compensation Committee is (i) "independent" as defined under the rules of Nasdaq and (ii) a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act. The Compensation Committee has the authority to retain compensation consultants, outside counsel and other advisers.

Corporate Governance Committee. Following the completion of the distribution, our Corporate Governance Committee will identify and make recommendations to our board of directors regarding candidates for directorships, oversee the board of directors' corporate governance policies and practices and assist the board of directors in its oversight with respect to matters that involve our image, reputation and standing as a responsible corporate citizen. In its oversight of director matters and corporate governance policies and practices, the Corporate Governance Committee's duties will include:

- developing and recommending to the board of directors criteria for selection of non-management directors;
- recommending director nominees to the board of directors for election at the next annual or special meeting of stockholders at which directors are to be elected or to fill any vacancies or newly-created directorships that may occur between such meetings;
- recommending directors for appointment to board committees;
- analyzing information relevant to the board of directors' determination as to whether a director is independent;
- overseeing the annual self-evaluation process for the board of directors and its committees;
- periodically reviewing the board of directors' leadership structure and recommending any proposed changes to the board of directors for approval;
- periodically reassessing the board of directors' Corporate Governance Guidelines and recommending any proposed changes to the board of directors for approval; and
- periodically reviewing, in cooperation with the Compensation Committee, the form and amount of non-employee director compensation and recommending any proposed changes to the board of directors for approval.

In assisting our board of directors in its oversight with respect to matters that involve our image, reputation and standing as a responsible corporate citizen, the Corporate Governance Committee will review and consider, among other items, the following from time to time as it deems appropriate:

- current and emerging political, social, environmental, corporate citizenship and public policy issues and trends that may affect our business activities, performance, reputation or public image;
- our sustainability activities, including initiatives related to the environment;
- our community relations activities and charitable contributions, including the underlying philosophy, goals and purposes of our contribution activities;
- our initiatives related to promoting access to healthcare and other social responsibility issues; and
- stockholder proposals submitted for inclusion in our proxy materials that relate to public policy or social responsibility issues.

Following the completion of the distribution, the members of the Corporate Governance Committee are expected to be David King (Chairperson), Karen Matusinec, Vinit Asar and Sally Crawford. Our board of directors is expected to determine that each member of the Corporate Governance Committee is "independent" as defined under the rules of Nasdaq.

Quality, Regulatory and Technology Committee. Following the completion of the distribution, our Quality, Regulatory and Technology Committee will assist the board of directors in its oversight of product quality and safety and our research, innovation and technology initiatives in the context of our overall corporate strategy, goals and objectives. In its oversight of risk management, the Quality, Regulatory and Technology Committee reviews and considers, among other items, the following:

- our overall quality strategy;
- processes in place to monitor and control product quality and safety;
- results of product quality and quality system assessments by the company and external regulators; and
- any significant product quality issues that may arise.

In overseeing our research, innovation and technology initiatives, the Quality, Regulatory and Technology Committee reviews and considers, among other items, the following as it deems appropriate:

- the strategic goals, objectives and direction of our research programs and the alignment of those programs with our portfolio of businesses and our long-term business objectives and strategic goals;
- the relationship of our strategic research plan to our overall approach to technical and commercial innovation and technology acquisition;
- our product development pipeline;
- our major technology positions and strategies relative to emerging technologies, emerging concepts of therapy and healthcare, and changing market requirements;
- the processes for identifying and prioritizing, and, as applicable, the development of, innovative technologies that arise from within and outside the Company;
- our ability to internally develop technology being, or proposed to be, developed, or to access and maintain such technology from third parties through acquisitions, licensing, collaborations, alliances, investments or otherwise; and
- the potential impact on us in the event that technology being, or proposed to be, developed is not developed or accessed by us.

Following the completion of the distribution, the members of the Quality, Regulatory and Technology Committee are expected to be Vinit Asar (Chairperson), Karen Matusinec, David King and Sally Crawford. Our board of directors is expected to determine that each member of the Quality, Regulatory and Technology Committee is “independent” as defined under the rules of Nasdaq.

Our board of directors is expected to adopt a written charter for each of the Audit Committee, Compensation Committee, Corporate Governance Committee and Quality, Regulatory and Technology Committee. These charters will be posted on our investor relations website in connection with the distribution.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee will be established in 2022 in connection with the proposed distribution. During our fiscal year ended December 31, 2021, we were not an independent company, and did not have a compensation committee or any other committee serving a similar function. Decisions as to the compensation of those who currently serve as our executive officers were made by Zimmer Biomet, as described in the section of this information statement captioned “Executive Compensation.”

Corporate Governance

Board Leadership Structure

Following the completion of the distribution, our board of directors will be led by our non-executive Chairperson, David King. As stated in our Corporate Governance Guidelines, the board has no policy with

respect to the separation of the offices of Chairperson of the board of directors and CEO. The board believes it is important to retain its flexibility to make the determination as to whether the interests of the Company and our stockholders are best served by having the same individual serve as both CEO and Chairperson, in which case the board will appoint a Lead Independent Director, or whether the roles should be separated based on the circumstances at any given time, and our Corporate Governance Guidelines and amended and restated bylaws provide this flexibility. The board believes this governance structure currently promotes a balance between the board's independent authority to oversee our business and the CEO and his management team who manage the business on a day-to-day basis. The board expects to periodically review its leadership structure to ensure that it continues to meet our needs.

Board Meetings, Attendance and Executive Sessions

Following the completion of the distribution, our board of directors will meet on a regularly scheduled basis to review significant developments affecting us and to act on matters requiring board approval. It will also hold special meetings when an important matter requires board action between scheduled meetings. Members of senior management will attend meetings of the board of directors and its committees to report on and discuss their areas of responsibility. Directors will be expected to attend board meetings, meetings of committees on which they serve and stockholder meetings. Directors will be expected to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

We expect that each regularly scheduled board meeting will begin with a session between the CEO and the independent directors. This will provide a platform for discussions outside the presence of the non-Board management attendees, as well as an opportunity for the independent directors to go into executive session (without management) if requested by any director. The independent directors may meet in executive session, without management, at any time, and will be scheduled for such independent executive sessions at each regularly scheduled board meeting. Our non-executive Chairperson will preside at these executive sessions.

Selection of Nominees for Election to the Board

All of our current directors and those who will be elected to the board prior to the distribution will have been elected by the Zimmer Biomet board. Following the completion of the distribution, our Corporate Governance Guidelines provide that the Corporate Governance Committee will identify and recommend to the full board individuals who the Corporate Governance Committee believes are qualified and suitable to become members of the board consistent with the criteria for selection of new directors adopted from time to time by the board. In evaluating director candidates and considering incumbent directors for nomination to the board, the Corporate Governance Committee will consider a variety of factors. These include each candidate's business and professional experience, skills, qualifications, character and integrity, reputation for working constructively in a collegial environment and availability to devote sufficient time to board matters. Diversity of background and diversity of gender, race, ethnicity, national origin and age will also be relevant factors in the selection process. The Corporate Governance Committee will also consider whether a candidate can meet the independence standards for directors and members of key committees under the rules of Nasdaq and the SEC.

While the board has not formally adopted a policy regarding director diversity, the committee will actively consider diversity in director recruitment and nomination. In connection with new director searches, we expect that the board will utilize a process that requires the final pool of candidates to include potential directors who will increase the board's ethnic and/or gender diversity. The board believes that the diversity of the current board members, including as to gender, race, ethnicity, national origin, international work experience and age, provides significant benefits to the board and to ZimVie.

In identifying candidates for election to the board of directors, the Corporate Governance Committee will consider nominees recommended by directors, stockholders and other sources. The Corporate Governance Committee will review each candidate's qualifications, including whether a candidate possesses any of the

specific qualities and skills desirable in certain members of the board of directors. Evaluations of candidates generally involve a review of background materials, internal discussions and interviews with selected candidates as appropriate. Upon selection of a qualified candidate, the Corporate Governance Committee will recommend the candidate for consideration by the full board of directors. The Corporate Governance Committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees.

Following the completion of the distribution, the Corporate Governance Committee will consider director candidates proposed by stockholders on the same basis as recommendations from other sources. Following the completion of the distribution, any stockholder who wishes to recommend a prospective candidate for the board of directors for consideration by the Corporate Governance Committee may do so by submitting the name and qualifications of the prospective candidate in writing to the following address: c/o Corporate Secretary, ZimVie Inc., 10225 Westmoor Drive, Westminster, CO 80021. Any such submission should also describe the experience, qualifications, attributes and skills that make the prospective candidate a suitable nominee for the board of directors, as well as other information set forth in our Corporate Governance Guidelines. Our bylaws set forth the requirements for direct nomination by a stockholder of persons for election to the board of directors.

Corporate Governance Guidelines

Our board of directors is expected to adopt Corporate Governance Guidelines to address significant corporate governance issues. Following the completion of the distribution, a copy of these guidelines will be available on our website at *www.zimvie.com*. These guidelines provide a framework for our corporate governance initiatives and cover topics including, but not limited to, director qualification and responsibilities, board composition, director compensation and management and succession planning. The Corporate Governance Committee is responsible for overseeing and reviewing the guidelines and recommending to our board of directors any changes to the guidelines.

Communicating with the Board of Directors

Stockholders or other interested parties may contact our directors by writing to them either individually or as a group or partial group (such as all independent directors), c/o Corporate Secretary, ZimVie Inc., 10225 Westmoor Drive, Westminster, CO 80021. If you wish your communication to be treated confidentially, please write the word “CONFIDENTIAL” prominently on the envelope and address it to the director by name so that it can be forwarded without being opened. Communications addressed to multiple recipients, such as to “Board of Directors,” “Audit Committee,” “Independent Directors,” etc. will necessarily have to be opened and copied by the Office of the Corporate Secretary in order to forward them, and hence cannot be treated confidentially.

Director Experience, Skills and Qualification

The Corporate Governance Committee charter will provide that the committee will recommend to the board of directors certain criteria based on the needs of the board for the selection of individuals to be considered as candidates for election to the board. In addition to evaluating a potential director’s independence, the committee will consider current and potential directors collectively to have a mix of experience, skills and qualifications, some of which are described below:

- Experience as a CEO or global business head
- Business operations experience
- Healthcare industry experience
- Medical device industry experience
- International experience
- FDA / regulatory experience

- Government / regulatory affairs / health economics experience
- Research and development experience
- Brand / marketing experience
- Mergers and acquisitions experience
- Financial expertise
- Digital technology expertise

Our full board of directors will be responsible for selecting candidates for election as directors based on the recommendation of the Corporate Governance Committee.

Risk Oversight

Our board of directors will oversee the risk management processes that are designed and implemented by our executives to determine whether those processes are consistent with our strategy and risk appetite, are functioning as intended, and that necessary steps are taken to foster a culture that recognizes and appropriately escalates and addresses risk-taking beyond our determined risk appetite. The board of directors will execute its oversight responsibility for risk management directly and through its committees.

The Audit Committee will be specifically tasked with overseeing our compliance with legal and regulatory requirements, including oversight of our Corporate Compliance Program, discussing our risk assessment and risk management processes with management, and receiving information on certain material legal and regulatory matters, including litigation, as well as on information technology, data privacy, business continuity and cyber security-related matters. Our head of Internal Audit, who will report directly to the committee, will coordinate our global risk assessment process. We intend to use this process to identify, assess and prioritize internal and external risks, to develop processes for responding to, mitigating and monitoring risks and to inform the development of our internal audit plan, our annual operating plan and our long-term strategic plan. We also intend to maintain an internal risk committee made up of members of senior management that will have responsibility for overseeing the execution of enterprise risk management activities.

The Audit Committee will receive detailed reports regarding our enterprise risk assessment process and its meeting agendas will include discussions of individual risk areas throughout the year. Members of our management who will have responsibility for designing and implementing our risk management processes will regularly meet with the committee.

The board of directors' other committees will oversee risks associated with their respective areas of responsibility. For example, the Compensation Committee will oversee risks relating to our executive compensation programs and practices. In addition, in conjunction with the full board of directors, the Compensation Committee will oversee risks relating to human capital management. The Corporate Governance Committee will oversee risks relating to environmental, social and governance matters. The Quality, Regulatory and Technology Committee will oversee risks relating to our compliance with laws and regulations enforced by the FDA and comparable foreign government regulators, including product quality and safety.

The board of directors will receive detailed regular reports from members of our executive leadership team and other personnel that include discussions of the risks and exposures involved with their respective areas of responsibility. Further, the board of directors will be routinely informed of developments that could affect our risk profile or other aspects of our business. Primary areas of risk oversight for the full board of directors include, but are not limited to, general commercial risks in the industries in which we operate, such as competition, pricing pressures and the reimbursement landscape; risks associated with our strategic plan and annual operating plan; risks related to our capital structure; and risks pertaining to mergers, acquisitions, divestitures and other complex transactions.

Code of Business Conduct and Ethics and Finance Code of Ethics

Our board of directors is expected to adopt a Code of Ethics for Chief Executive Officer and Senior Financial Officers (the "finance code of ethics") that applies to the CEO, CFO, Chief Accounting Officer/Corporate Controller, other finance organization employees and other designated employees. Our board of directors is also expected to adopt a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees. Following the completion of the distribution, the Code of Business Conduct and Ethics and the finance code of ethics will be available on our website at *www.zimvie.com.*

If we make any substantive amendments to the finance code of ethics or grant any waiver, including any implicit waiver, from a provision of the code to our CEO, CFO, or Chief Accounting Officer/Corporate Controller, we will disclose the nature of that amendment or waiver in the Investor Relations section of our website.

Our website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

Stock Ownership Guidelines

Our board of directors is expected to adopt stock ownership guidelines for members of the board of directors and for executive officers of the Company. The board believes that setting these ownership guidelines will enhance directors' and executive officers' alignment with other stockholders. The ZimVie Compensation Committee will review director and executive officer stock ownership levels on an annual basis.

Board of Directors

Following the completion of the distribution, independent directors are expected to be awarded 500 deferred share units ("DSUs") at each annual meeting of stockholders that must be deferred and credited to a deferred compensation account. In addition, one-half of an independent director's annual retainer for board service must be deferred and credited to the deferred compensation account in the form of deferred share units. The deferral of one-half of a director's annual retainer is mandatory until the director owns a total of 5,000 DSUs. The DSUs held in the director's deferred compensation account that were deferred on a mandatory basis will be paid in shares of the Company's common stock after the director's retirement from the board.

Executive Officers

Following the completion of the distribution, we expect the guidelines for executive officers will require our CEO to own shares or units with a value equal to at least six times his base salary, our Chief Financial Officer to own shares or units with a value equal to at least three times his base salary and the other named executive officers ("NEOs") to own shares or units with a value equal to at least one and one-half times their respective base salaries. We expect that NEOs will have a period of five years to reach the guideline level of ownership and that NEOs will not be able to sell shares acquired through option exercises or vesting of RSUs or PRSUs (other than to pay option exercise costs and cover any required tax withholding obligation) until the minimum ownership requirements have been met. We expect to approve procedures by which every executive officer must obtain clearance prior to selling any shares of our common stock, in part to ensure no executive falls out of compliance with the guidelines.

Prohibition on Hedging and Pledging

Our Stock Trading Policy will prohibit all members of our board, all executive officers, all employees at or above a director level and certain other designated employees (as well as such individuals' family members, others living in their home and any entities that such individuals influence or control) from the following:

- purchasing any financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds), or otherwise engaging in transactions, that hedge or offset, or are designed

to hedge or offset, any decrease in the market value of ZimVie securities that such person holds, directly or indirectly, whether or not the ZimVie securities were acquired as part of his or her compensation;

- engaging in short sales of ZimVie securities; and
- holding ZimVie securities in a margin account or otherwise pledging ZimVie securities as collateral for a loan.

The prohibition on hedging included in our Stock Trading Policy does not preclude covered persons from engaging in general portfolio diversification or investing in broad-based index funds.

Procedures for Treatment of Complaints Regarding Accounting, Internal Accounting Controls, and Auditing Matters

In accordance with the Sarbanes-Oxley Act, we expect that the ZimVie Audit Committee will adopt procedures for the receipt, retention and treatment of complaints regarding accounting controls or auditing matters and to allow for the confidential, anonymous submission by employees and others of concerns regarding questionable accounting or auditing matters.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

Prior to the distribution, we have operated, and will continue to operate, as part of Zimmer Biomet. Until the distribution, our compensation decisions have been and will continue to be made by Zimmer Biomet's senior management and the Compensation Committee of Zimmer Biomet's Board of Directors. We expect that our executive compensation program following the distribution will generally include similar elements to Zimmer Biomet's executive compensation program; however, our Compensation Committee will review all aspects of compensation and may make adjustments that it believes are appropriate in structuring our executive compensation arrangements.

For purposes of this Compensation Discussion and Analysis, the individuals listed below are collectively referred to as our "named executive officers." They are our Chief Executive Officer, Chief Financial Officer, and, of the other individuals who are expected to be designated as ZimVie executive officers, the three most highly compensated based on their 2021 compensation from Zimmer Biomet.

- Vafa Jamali, President and Chief Executive Officer
- Richard J. Heppenstall, Executive Vice President, Chief Financial Officer and Treasurer
- Rebecca Whitney, Senior Vice President, President – Global Spine
- Indraneel Kanaglekar, Senior Vice President, President – Global Dental
- Heather Kidwell, Senior Vice President, Chief Legal and Compliance Officer and Corporate Secretary

Messrs. Jamali and Heppenstall joined Zimmer Biomet in 2021, and therefore were not provided any compensation by Zimmer Biomet in 2020. While Mses. Whitney and Kidwell and Mr. Kanaglekar were employed by Zimmer Biomet in 2020, none of them was an executive officer of Zimmer Biomet and none of them served as an executive officer of our business in 2020. Mses. Whitney and Kidwell held corporate roles for Zimmer Biomet as a whole, not in any of the businesses that will be transferred to ZimVie in connection with the separation and distribution. While Mr. Kanaglekar held various positions with one of the businesses involved in the spin-off, the dental business, he did not hold the highest level management position of that business division in 2020. Information as to the historical compensation by Zimmer Biomet of Mses. Whitney and Kidwell and Mr. Kanaglekar is not indicative of their expected compensation following the completion of the distribution.

Accordingly, none of the tabular compensation disclosure requirements of the SEC's compensation disclosure rules are applicable to our expected named executive officers. Detailed information on the compensation of our named executive officers for 2021 will be provided in our first proxy statement or in Part III of our first Annual Report on Form 10-K, as applicable, following the spin-off. However, below we have included information regarding the terms of the offer letters with, and the anticipated compensation arrangements for, the expected named executive officers.

ZimVie's Anticipated Executive Compensation Programs

Overview

As described above, our Compensation Committee will not be established until the completion of the distribution and therefore has not established a specific set of objectives or principles for our compensation programs following the distribution. The executive compensation programs in place at the time of the distribution will be those established by Zimmer Biomet on our behalf. Following the distribution, our Compensation Committee will review each of the elements of our compensation programs and may make adjustments that it believes are appropriate in structuring our executive compensation arrangements. At this time, we expect that our executive

compensation program will provide for base salaries, annual cash incentive awards, and long-term incentive equity awards. We believe that the spin-off will enable us to offer our key employees compensation directly linked to the performance of our business, which we expect will enhance our ability to attract, retain and motivate qualified personnel and align the interests of our key employees with those of our stockholders.

For those executive officers who were previously granted equity awards by Zimmer Biomet, their equity awards will be equitably adjusted in connection with the spin-off, as further described in the section entitled "The Separation and Distribution—Treatment of Equity-Based Compensation."

Offer Letters with our Expected Named Executive Officers

Offer Letter with Mr. Jamali

Zimmer Biomet entered into an offer letter with Mr. Jamali appointing him as Chief Executive Officer of ZimVie, effective in February 2021. The letter provides Mr. Jamali with an annual base salary of $700,000 and an annual cash incentive target opportunity equal to 90% of his annual base salary. Mr. Jamali also received a cash sign-on bonus of $500,000, which is subject to repayment upon Mr. Jamali's voluntary resignation or termination of employment by Zimmer Biomet or ZimVie for cause (as defined in the offer letter) prior to February 15, 2023.

The offer letter provides for Mr. Jamali to receive an annual Zimmer Biomet equity award for 2021 with a grant date fair value of approximately $3,000,000. As a result, in February 2021, Mr. Jamali was granted 33,914 stock options that will vest ratably over four years subject to continued employment and 8,279 performance-based restricted stock units ("RSUs") with performance measured based on revenue growth and relative total shareholder return over a three-year period compared to the companies included in the S&P 500 Health Care Index. Mr. Jamali also received a one-time, replacement equity award of Zimmer Biomet stock options and RSUs with an aggregate grant date fair value of approximately $3,500,000 in recognition that he may incur an equity loss due to his change in employment. The replacement equity award was granted in March 2021 and consists of 39,442 stock options and 10,790 RSUs, each of which will vest ratably over four years subject to continued employment. These equity awards will be equitably adjusted in connection with the spin-off, as further described in the section entitled "The Separation and Distribution—Treatment of Equity-Based Compensation."

In addition, the offer letter provides that it is expected that Mr. Jamali will be granted a one-time, long-term incentive grant of ZimVie equity awards on or around the time of the separation, with a grant date fair value of approximately $3,000,000, in the form of 50% ZimVie stock options and 50% ZimVie RSUs. It is expected that these awards will vest 33-1/3% per year over three years beginning on the first anniversary of the grant date. The offer letter also provides that in the event the spin-off is cancelled, such equity grant will be made in the form of Zimmer Biomet stock options and RSUs.

Mr. Jamali currently is a party to a change in control severance agreement with Zimmer Biomet and is a participant in the Zimmer Biomet Executive Severance Plan. As described further below, it is expected that following the spin-off, ZimVie will enter into change in control severance agreements and will establish an executive severance plan, and Mr. Jamali will be a party to, and a participant in, those arrangements. The offer letter provides that in the event the spin-off transaction is cancelled and Mr. Jamali's position with Zimmer Biomet is eliminated by Zimmer Biomet, Mr. Jamali will be entitled to enhanced severance, consisting of payment of two times base salary, two times target bonus, a pro-rata portion of his current year bonus, accelerated vesting of unvested Zimmer Biomet equity awards and a period of three months to exercise any Zimmer Biomet stock options.

Offer Letter with Mr. Heppenstall

Zimmer Biomet entered into an offer letter with Mr. Heppenstall appointing him as Chief Financial Officer of ZimVie, effective in September 2021. The letter provides Mr. Heppenstall with an annual base salary of

$450,000 and an annual cash incentive target opportunity equal to 70% of his annual base salary. Mr. Heppenstall also received a cash payment of $200,000 intended to cover his estimated bonus loss from changing employment, which is subject to repayment upon Mr. Heppenstall's voluntary resignation or termination of employment by Zimmer Biomet or ZimVie for cause (as defined in the offer letter) prior to September 13, 2023.

Mr. Heppenstall also received a one-time, replacement equity award of Zimmer Biomet stock options and RSUs with an aggregate grant date fair value of approximately $1,000,000 in recognition that he may incur an equity loss due to his change in employment. The replacement equity award was granted in October 2021 and consists of 12,930 stock options and 3,420 RSUs, each of which will vest ratably over four years subject to continued employment. These equity awards will be equitably adjusted in connection with the spin-off, as further described in the section entitled "The Separation and Distribution—Treatment of Equity-Based Compensation."

In addition, the offer letter provides that it is expected that Mr. Heppenstall will receive a 2022 annual equity grant with a grant date fair value of approximately $1,000,000.

As described further below, it is expected that following the spin-off, ZimVie will enter into change in control severance agreements and will establish an executive severance plan, and Mr. Heppenstall will be a party to, and a participant in, those arrangements. The offer letter provides that in the event the spin-off transaction is cancelled and Mr. Heppenstall's position with Zimmer Biomet is eliminated by Zimmer Biomet, Mr. Heppenstall will be entitled to enhanced severance, consisting of payment of one times base salary, one times target bonus, and a pro-rata portion of his current year bonus.

Offer Letter with Ms. Whitney

Zimmer Biomet entered into an offer letter with Ms. Whitney appointing her as Senior Vice President, President – Spine of ZimVie, effective in April 2021. The letter provides Ms. Whitney with an annual base salary of $400,000 and an annual cash incentive target opportunity equal to 50% of her annual base salary. In addition, the offer letter provides that it is expected that Ms. Whitney will receive a 2022 annual equity grant with a grant date fair value of approximately $600,000.

As described further below, it is expected that following the spin-off, ZimVie will enter into change in control severance agreements and will establish an executive severance plan, and Ms. Whitney will be a party to, and a participant in, those arrangements.

Offer Letter with Mr. Kanaglekar

Zimmer Biomet entered into an offer letter with Mr. Kanaglekar appointing him as Senior Vice President, President – Dental of ZimVie, effective in June 2021. The letter provides Mr. Kanaglekar with an annual base salary of $350,000 and an annual cash incentive target opportunity equal to 50% of his annual base salary. In addition, the offer letter provides that it is expected that Mr. Kanaglekar will receive a 2022 annual equity grant with a grant date fair value of approximately $600,000.

Further, the offer letter provides for Mr. Kanaglekar to receive a one-time sign-on Zimmer Biomet equity award in 2021 with a grant date fair value of approximately $150,000. As a result, in July 2021, Mr. Kanaglekar was granted 1,851 stock options and 471 RSUs, each of which will vest ratably over four years subject to continued employment. These equity awards will be equitably adjusted in connection with the spin-off, as further described in the section entitled "The Separation and Distribution—Treatment of Equity-Based Compensation."

As described further below, it is expected that following the spin-off, ZimVie will enter into change in control severance agreements and will establish an executive severance plan, and Mr. Kanaglekar will be a party to, and a participant in, those arrangements.

Offer Letter with Ms. Kidwell

Zimmer Biomet entered into an offer letter with Ms. Kidwell appointing her as Senior Vice President, Chief Legal and Compliance Officer and Corporate Secretary of ZimVie, effective in June 2021. The letter provides Ms. Kidwell with an annual base salary of $340,000 and an annual cash incentive target opportunity equal to 40% of her annual base salary. In addition, the offer letter provides that it is expected that Ms. Kidwell will receive a 2022 annual equity grant with a grant date fair value of approximately $400,000.

As described further below, it is expected that following the spin-off, ZimVie will enter into change in control severance agreements and will establish an executive severance plan, and Ms. Kidwell will be a party to, and a participant in, those arrangements.

Executive Severance Programs

Executive Severance Plan

In connection with the separation, we have adopted an Executive Severance Plan (the "Executive Severance Plan"). The Executive Severance Plan provides payments and benefits to certain eligible members of ZimVie's executive leadership team, including each of our executive officers, following a termination by ZimVie of a participant's employment, unless his or her employment is terminated for misconduct or any of the other reasons specified in the Executive Severance Plan. Upon a qualifying termination, a participant is eligible to receive: (i) a lump-sum severance amount equal to two times (for our CEO) or one times (for other participants) the sum of his or her annualized base salary in effect when the termination occurs, plus his or her target annual bonus amount in effect when the termination occurs; (ii) if such termination occurs on or after January 1 but prior to the payment date for bonuses related to the previous calendar year, a lump-sum amount equal to the bonus he or she would have received under the annual cash incentive plan, if any, had he or she remained employed on the payment date; (iii) a lump-sum amount equal to the then-current monthly COBRA premium for medical and dental insurance in effect the day prior to the separation date, multiplied by 24 for our CEO and by 12 for other participants; and (iv) outplacement services with a value not to exceed $25,000. Such severance payments and benefits are in some circumstances subject to offset by the participants' short-term disability benefits and any severance benefits required to be paid by applicable law.

Payments and benefits under the Executive Severance Plan would be conditioned on a participant signing a general release of claims and, if required, agreeing to continue to be bound by the terms of his or her non-competition agreement with us. If a participant violates or breaches any term of the Executive Severance Plan or the general release or any restrictive covenant agreement with us, or if facts are later disclosed or discovered that could have supported the participant's termination for cause and would have rendered the participant ineligible to receive severance benefits under the Executive Severance Plan, then the participant will forfeit any and all rights to benefits under the Executive Severance Plan and, to the extent benefits have already been paid, must repay the full amount within 15 days of written notice from us.

Change in Control Severance Agreements

In addition to the Executive Severance Plan, we also intend to enter into change in control severance agreements with certain members of ZimVie's executive leadership team, including our executive officers. The agreements will provide the executives with certain severance benefits following a change in control of us and qualifying termination of their employment. The agreements will be intended to encourage executives to remain employed with us during a time when their prospects for continued employment following a transaction may be uncertain (since many transactions result in significant organizational changes at the executive level). To receive the severance benefits provided under the agreements, an executive will be required to sign a general release of any claims against us.

These agreements will provide for benefits only upon the occurrence of both a change in control of us during the term of the agreement and either (i) an involuntary termination of employment without "cause" (as defined in the

agreement) or (ii) a voluntary termination of employment with "good reason" (as defined in the agreement). If both triggers occur, the executive would be provided with severance benefits that would include a lump sum payment equal to two and one-half times (in the case of our CEO) or two times (in the case of the other executives) the sum of his or her base salary and target annual incentive award. In addition, the executive would receive a payout of any unpaid incentive compensation allocated or awarded to him or her for the completed calendar year preceding the date of termination and a pro rata portion to the date of termination of the aggregate value of all contingent incentive compensation awards to him or her for the current calendar year (assuming for this purpose that all performance conditions for such awards have been met).

These agreements would also provide that if prior to a change in control, the executive's employment is terminated without cause at the direction of a person who has entered into an agreement with us, the consummation of which would constitute a change in control, or by the executive for good reason where the circumstance or event which constitutes good reason occurs at the direction of such person, he or she would be entitled to a lump-sum severance payment equal to two and one-half times (in the case of our CEO) or two times (in the case of our other executives) the sum of his or her base salary and the amount of the largest aggregate annual bonus paid to him or her with respect to the three years immediately prior to the year in which a notice of termination is given under the agreement. In addition, in the circumstances described in the preceding sentence, the executive would receive a payout of any unpaid incentive compensation allocated or awarded to him or her for the completed calendar year preceding the date of termination, provided that the performance conditions applicable to such incentive compensation are met, and an amount equal to a pro rata portion to the date of termination of the average annual award paid to the executive under our incentive compensation plans during the three years immediately prior to the year in which the notice of termination was given.

Further, these agreements would provide that, unless otherwise provided for under a written award agreement, (i) all outstanding stock options granted to the executive officer would become immediately vested and exercisable, (ii) all time-based restrictions on restricted shares and RSUs would immediately lapse, and (iii) with respect to performance-based restricted shares and RSUs, the number of shares or units that would be earned would be the greater of (a) the target number, or (b) the number that would have been earned based on actual performance through the date of the change in control. Each executive officer would receive a cash amount equal to the unvested portion, if any, of our matching contributions (and attributable earnings) credited to him or her under our 401(k) and deferred compensation plans, as well as a lump-sum payment equal to two times the annual premium value for life insurance coverage (to the extent we are unable to provide such life insurance coverage to such officer for two years post-termination) and health (including medical and dental) insurance benefits. Each executive officer would also receive reasonable outplacement services for up to six months post-termination.

None of the change in control severance agreements will include any tax gross-up provisions.

Deferred Compensation Plan

In connection with the separation, we have also adopted a Deferred Compensation Plan (the "DCP"). The DCP provides executives with the opportunity to defer each year, on a pre-tax basis, up to 50% of base salary and up to 95% of annual incentive awards. We will match 100% of a participant's contributions, up to a maximum of 6% of his or her aggregate base salary and annual incentive award, minus our matching contributions under our 401(k) plan. An executive must be employed on December 31 of the year the compensation was earned to be eligible to receive our matching contributions, unless termination of employment was due to the executive's death, disability or retirement, as defined in the DCP. Our matching contributions will vest 25% per year of service. For purposes of the DCP, service with Zimmer Biomet before the separation will be included as service with ZimVie to the same extent as such service would have counted under Zimmer Biomet's Deferred Compensation Plan.

The DCP will not offer any above-market rates of return. Participants will be able to select from various investment alternatives to serve as the measure of investment earnings on their accounts, and our contributions will follow the investment direction of participant contributions.

We will not hold contributions to the DCP in a trust and, therefore, they may be subject to the claims of our creditors in the event of our bankruptcy or insolvency. When payments come due under the DCP, we will distribute cash from our general assets. The DCP will not permit loans. During employment, the DCP will permit hardship distributions of vested amounts prior to the scheduled payment date only in the event of an unforeseeable emergency and only if the financial hardship resulting from the unforeseeable emergency cannot be relieved by other means, including cessation of deferrals under the DCP.

If an executive is terminated for cause (as defined under the DCP, including willfully engaging in conduct that is demonstrably and materially injurious to us or our subsidiaries, monetarily or otherwise), or information is discovered after the executive's separation that would have allowed us to terminate him or her for cause, then the executive will forfeit any and all amounts in his or her company matching contribution account.

Non-Compete Arrangements

Zimmer Biomet has entered into, and in connection with the separation we will enter into, Confidentiality, Non-Competition and Non-Solicitation Agreements with each of our executive officers. These agreements will provide that the executive is restricted from competing with us for a period of 18 months following termination of employment within a specified territory, which generally includes every country in which we are doing business or selling products. In the event of an executive's involuntary separation from employment with us for a reason that renders him or her eligible for severance benefits, then, to the extent the executive is denied, solely because of the provisions of the non-competition agreement, a specific employment, consulting or other position that would otherwise be offered to him or her by a competing organization, and provided the officer satisfies all conditions of the non-competition agreement, then upon expiration of his or her severance benefit period, we will make monthly payments to him or her for each month he or she remains unemployed through the end of the non-competition period. These monthly payments will equal the lesser of the executive's monthly base pay at the time of his or her separation of employment from us or the monthly compensation that would have been offered to him or her from the competing organization.

Other Employee Benefits

In connection with the separation, we will adopt core employee benefits plans, generally consisting of retirement, separation pay, paid time off, medical, dental, vision, life, short-term and long-term disability plans or coverage, as of or prior to the distribution date, and ZimVie employees generally will be eligible to participate in such benefit plans as of the distribution date. In general, ZimVie core benefit plans will contain terms substantially comparable in the aggregate to those of the corresponding Zimmer Biomet plans.

2022 Stock Incentive Plan

Prior to the separation, we expect our Board of Directors (the "Board") to adopt, and Zimmer Biomet, as our sole stockholder, to approve, the ZimVie Inc. 2022 Stock Incentive Plan (the "Stock Incentive Plan") for the benefit of our employees and other service providers. The following summary describes what we anticipate to be the material terms of the Stock Incentive Plan.

The form of Stock Incentive Plan will be filed as an exhibit to the registration statement on Form 10 of which this information statement forms a part, and the following discussion is qualified in its entirety by reference to such text.

Purpose. The purpose of the Stock Incentive Plan will be to promote the success and enhance the value of ZimVie by linking the personal interests of our employees and other service providers to those of our stockholders and by providing individuals who provide services to ZimVie with long-term incentives for outstanding performance. The Stock Incentive Plan will further be intended to provide flexibility for us to motivate, attract and retain the services of employees and other service providers who will be largely responsible for our long-term performance, growth and financial success.

Shares Available for Awards. It is expected that the maximum aggregate number of shares of our common stock that may be issued under the Stock Incentive Plan will not exceed **[●]**, excluding shares subject to issuance pursuant to awards of Zimmer Biomet stock options, RSUs or PRSUs that will be converted to ZimVie stock options, RSUs or PRSUs in connection with the spin-off, which will be issued under the Stock Incentive Plan but will not be counted against the foregoing limitation. In addition, it is expected that the Stock Incentive Plan will contain a limit on the number of shares of common stock available for grant in the form of incentive stock options of 1,000,000.

Eligibility. It is expected that awards under the Stock Incentive Plan may be granted only to employees and other individuals providing services to ZimVie, including its subsidiaries and affiliates, and that incentive stock options, nonqualified stock options, SARs, restricted stock, RSUs, performance units and performance shares may be granted under the Stock Incentive Plan.

Administration. Our Compensation Committee or any designated subcommittee thereof will have the authority to administer the Stock Incentive Plan, including the authority to select the individuals who receive awards, the form of those awards and all terms and conditions of the awards. The Compensation Committee will also certify the level of attainment of performance targets, as and if applicable to awards under the Stock Incentive Plan.

Duration; Amendment; Termination. Unless earlier discontinued by action of our Board, the Stock Incentive Plan will terminate on **[●]**, 2032, and no further awards may be granted under the Stock Incentive Plan after the end of the term; however, awards previously granted thereunder may extend beyond such date. The Board may amend or suspend the Stock Incentive Plan at any time and from time to time; provided, however, that, except in connection with a corporate transaction involving us (including any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the terms of outstanding awards may not be amended, without stockholder approval, to reduce the exercise price of outstanding options or SARs or to cancel outstanding options or SARs in exchange for cash, other awards, or options or SARs with an exercise price that is less than the exercise price of the original options or SARs; and provided, further, that the Board shall submit for stockholder approval any amendment (other than an amendment pursuant to the adjustment provisions described above) required to be submitted for stockholder approval by law, regulation or applicable stock exchange requirements or that otherwise would: (1) increase the maximum stock award levels described above; (2) reduce the price at which stock options may be granted to below fair market value on the date of grant; (3) extend the term of the Stock Incentive Plan; or (4) change the class of persons eligible to be participants.

Stock Options and Stock Appreciation Rights. Stock options awarded under the Stock Incentive Plan may be either incentive stock options or nonqualified stock options. Options will expire no later than 10 years after the date of grant and may not be exercised prior to one year following the date of grant unless otherwise determined by the Compensation Committee. The exercise price of stock options may not be less than the fair market value of common stock on the date of grant. The Compensation Committee may establish other vesting or performance requirements which must be met prior to the exercise of the stock options. Stock options may be granted in tandem with SARs.

Restricted Stock and RSUs. The Compensation Committee may also grant shares of restricted stock or RSUs that are subject to the continued service of the award recipient and may also be subject to the attainment of qualifying performance criteria at the discretion of the Compensation Committee. Generally, if the award recipient's service terminates prior to the completion of the specified term of service or the attainment of the specified performance criteria, the awards will lapse. The Compensation Committee may provide for a pro-rated attainment of time-based restrictions.

Generally, an award will not vest during a period less than one year following the date of the award unless the Compensation Committee determines otherwise. During the restriction period, unless the Compensation Committee determines otherwise, an award recipient who holds restricted stock will be entitled to vote the shares

and to receive cash dividends, if any are declared. Cash dividends paid with respect to restricted stock that is subject to the satisfaction of targets for qualifying performance criteria will be retained by us during the restriction period and will be subject to the same restrictions as the underlying restricted stock. An award recipient who holds RSUs will have none of the rights of a stockholder until the restriction period has ended and shares of common stock have been issued.

Long-Term Performance Awards. The Compensation Committee may grant performance units or performance shares under the Stock Incentive Plan. Performance units entitle the award recipient to receive a specified dollar value, variable under conditions specified in the award, if the performance objectives specified in the award are achieved and other terms and conditions are satisfied. Performance shares entitle the award recipient to receive a specified number of shares of common stock, or the equivalent cash value, if the objectives specified in the award are achieved and other terms are satisfied.

Performance Criteria. Awards of performance shares and performance units will be, and any other type of award (except incentive stock options) in the discretion of the Compensation Committee may be, contingent upon achievement of performance criteria. The Compensation Committee will determine the specific targets for the selected performance criteria. Following the applicable performance period, the Compensation Committee will determine the extent to which the criteria have been achieved and the corresponding level to which vesting requirements have been satisfied and will certify these determinations in writing.

Adjustments. The number, class and price of stock options and other awards are subject to appropriate adjustment in the event of certain changes in our common stock, including stock dividends, stock splits, recapitalizations, reorganizations, corporate separation or division, consolidations, split-ups, combinations or exchanges of shares and similar transactions.

Change in Control. Unless the Compensation Committee otherwise expressly provides in the agreement relating to an award, in the event an award recipient's service with us terminates pursuant to a qualifying termination (as defined in the Stock Incentive Plan) during the three-year period following a change in control (as defined in the Stock Incentive Plan): (1) all of the award recipient's outstanding options will become immediately fully vested and exercisable and (2) all time-based restrictions imposed under awards of restricted stock and RSUs will immediately lapse.

If we undergo a change in control during the award period applicable to an award that is subject to the achievement of qualifying performance criteria, unless the Compensation Committee otherwise expressly provides in the agreement relating to an award, the number of shares or units deemed earned will be the greater of (1) the target number of shares or units specified in the award agreement or (2) the number of shares or units that would have been earned by applying the qualifying performance criteria specified in the award agreement to our actual performance from the beginning of the applicable award period to the date of the change in control.

In addition, in the event of a change in control, the Compensation Committee may (1) determine that outstanding options will be assumed by, or replaced with comparable options by, the surviving corporation and that outstanding awards will be converted to similar awards of the surviving corporation, or (2) take such other actions with respect to outstanding options and awards as the Compensation Committee deems appropriate.

Award Recipients Based Outside the U.S. The Stock Incentive Plan provides that the Compensation Committee may modify the terms and conditions of awards granted to individuals who are based outside the U.S. in order to comply with provisions of laws in other countries in which we operate.

U.S. Federal Income Tax Consequences. The U.S. federal income tax consequences arising with respect to awards granted under the Stock Incentive Plan will depend on the type of the award. The following provides only a general description of the application of federal income tax laws to certain awards under the Stock Incentive Plan. This discussion is not intended as tax guidance to award recipients, as the consequences may vary with the

types of awards made, the method of payment or settlement and other factors. The summary does not address the effects of other federal taxes (including possible "golden parachute" excise taxes) or taxes imposed under state, local or foreign tax laws.

From an award recipient's standpoint, as a general rule, ordinary income will be recognized at the time of payment of cash or delivery of actual shares of common stock (for example, upon exercise of nonqualified stock options). Future appreciation on shares of common stock held beyond the ordinary income recognition event will be taxable at the long-term or short-term capital gains rates when the shares of common stock are sold (depending on how long the shares were held). We, as a general rule, will be entitled to a tax deduction that corresponds in time and amount to the ordinary income recognized by the award recipient, and we will not be entitled to any tax deduction in respect of capital gain income recognized by the award recipient.

Exceptions to these general rules may arise under the following circumstances:

- if shares of common stock transferred in exchange for performance of services, when delivered, are subject to a substantial risk of forfeiture by reason of failure to satisfy any employment-, service-, or performance-related condition, ordinary income taxation and our tax deduction will be delayed until the risk of forfeiture lapses (unless the award recipient makes a special election to ignore the risk of forfeiture); or
- if an employee is granted an option that qualifies as an "incentive stock option," no ordinary income will be recognized, and we will not be entitled to any tax deduction, if shares of common stock acquired upon exercise of such option are (a) held more than the longer of one year from the date of exercise and two years from the date of grant and (b) at all times during the period beginning on the date of the granting of the option and ending on the day three months before the date of exercise, the grantee remained an employee of us, one of our subsidiaries or a corporation "issuing or assuming a stock option in a transaction to which Code Section 424(a) applies".

The Stock Incentive Plan provides that we have the right to require the recipient of any award under the Stock Incentive Plan to pay to us an amount necessary for us to satisfy our obligation to pay required federal, state or local income tax, Federal Insurance Contribution Act tax, social insurance tax or other required withholding amount applicable to the recipient with respect to such award. We may, to the extent permitted by law, withhold from other amounts payable to the recipient an amount necessary to satisfy these obligations. Unless the Compensation Committee determines otherwise, an award recipient may satisfy the withholding obligation by having shares retained or by delivering shares having a value sufficient to cover such obligations.

Long-Term Incentive Compensation—Treatment of Zimmer Biomet Awards in Spin-Off

Treatment of Zimmer Biomet Stock Options. In connection with the spin-off, any Zimmer Biomet stock options held by ZimVie employees, whether vested or unvested as of the distribution date, will be converted to options to purchase shares of ZimVie common stock.

Treatment of Zimmer Biomet RSUs. In connection with the Spin-Off, any Zimmer Biomet RSUs held by ZimVie employees that are outstanding and unvested as of the distribution date will be converted to ZimVie RSUs.

Treatment of Zimmer Biomet PRSUs. In connection with the Spin-Off, Zimmer Biomet PRSUs for the three-year performance periods ending December 31, 2022 and December 31, 2023 that are held by ZimVie employees as of the distribution date will be converted to ZimVie RSUs.

See "The Separation and Distribution—Treatment of Equity-Based Compensation" for further information.

DIRECTOR COMPENSATION

Following the spin-off, we expect that our Compensation Committee, in cooperation with our Corporate Governance Committee, will periodically review and make recommendations to our Board regarding the form and amount of compensation for non-employee directors. Directors who are also our employees are expected to receive no compensation for service on our Board. Zimmer Biomet has approved an initial director compensation program for ZimVie that is designed to enable continued attraction and retention of highly qualified directors and to address the time, effort, expertise and accountability required of active Board membership. This program is described in further detail below.

Cash Retainers

We will pay non-employee directors quarterly, on the last day of March, June, September and December. During 2022, we will pay non-employee directors an annual retainer of $70,000, subject to mandatory deferral requirements as described below, and we will pay our non-executive Chairperson of the Board an additional annual retainer of $75,000. We will pay our Audit Committee chair an additional annual retainer of $20,000, we will pay our Compensation Committee chair an additional annual retainer of $15,000, and we will pay each of the chairs of our other standing Board committees additional annual retainers of $10,000.

Equity-Based Compensation and Mandatory Deferrals

We will award each non-employee 500 deferred share units (“DSUs”) annually with an initial value based on the price of our common stock on that date. We will require that these annual DSU awards be credited to a deferred compensation account under the provisions of the ZimVie Deferred Compensation Plan for Non-Employee Directors, which the Zimmer Biomet Board of Directors, as sole stockholder of ZimVie, will adopt and approve in connection with the distribution. DSUs will represent an unfunded, unsecured right to receive shares of our common stock or the equivalent value in cash, and the value of DSUs will vary directly with the price of our common stock. We will also require that 50% of a director’s annual cash retainer be deferred and credited to his or her deferred compensation account in the form of DSUs with an initial value equal to the amount of fees deferred until the director holds a total of at least 5,000 DSUs.

Non-employee directors may elect to defer receipt of compensation in excess of their mandatory deferral and annual DSU award. Elective deferrals will be credited to the director’s deferred compensation account in the form of either treasury units, dollar units or DSUs with an initial value equal to the amount of fees deferred. The value of treasury units and dollar units will not change after the date of deferral. Amounts deferred as treasury units will be credited with interest at a rate based on the six-month U.S. Treasury bill discount rate for the preceding year. Amounts deferred as dollar units will be credited with interest at a rate based on the rate of return of our invested cash during the preceding year. If we pay cash dividends on our common stock, amounts deferred as DSUs will be credited with additional DSUs equal to the number of shares of our common stock that could have been purchased if we paid cash dividends on the DSUs held in directors’ deferred compensation accounts and such cash was reinvested in our common stock. These additional DSUs will be subject to mandatory deferral.

All treasury units, dollar units and DSUs will be immediately vested and payable following termination of the non-employee director’s service on the Board. We will settle annual DSU awards and mandatory deferral DSUs in shares of our common stock. We will pay the value of treasury units, dollar units and elective deferral DSUs in cash. Non-employee directors may elect to receive the cash payment in a lump sum or in not more than four annual installments.

We will also award each non-employee director RSUs annually with an initial value of $185,000 and we will award our non-executive Chair of the Board additional RSUs with an initial value of $65,000, in each case based on the price of our common stock on the date of grant. These awards will be made under the ZimVie Stock Plan for Non-Employee Directors, which the Zimmer Biomet Board of Directors, as sole stockholder of ZimVie, will

adopt and approve in connection with the distribution. The RSUs will vest immediately and will be subject to mandatory deferral until the later of the third anniversary of the grant date or the director's retirement or other termination of service from the Board. We will settle the RSUs in shares of our common stock.

Insurance, Expense Reimbursement and Director Education

We will provide non-employee directors with travel accident insurance and reimburse reasonable expenses they incur for transportation, meals and lodging when on ZimVie business. We will also reimburse non-employee directors for reasonable out-of-pocket expenses, including tuition costs incurred in attending director education programs.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Agreements with Zimmer Biomet

Following the separation and distribution, we and Zimmer Biomet will operate separately, each as an independent public company. Zimmer Biomet will retain a passive ownership interest of approximately 19.7 percent of the ZimVie common stock at the time of the distribution. Zimmer Biomet currently intends to dispose of all of the ZimVie common stock that it receives after the distribution by exchanging such ZimVie common stock for Zimmer Biomet debt held by one or more investment banks. To the extent Zimmer Biomet holds any ZimVie common stock thereafter, Zimmer Biomet will dispose of such stock as soon as disposition is warranted (but in no event later than five years after the distribution), consistent with its business purpose of creating independent companies with separate capital structures, in which Zimmer Biomet continues to target leverage consistent with its investment grade credit rating.

Prior to the distribution, we will enter into a separation and distribution agreement with Zimmer Biomet, which is referred to in this information statement as the "separation agreement" or the "separation and distribution agreement." We will also enter into various other agreements to provide a framework for our relationship with Zimmer Biomet after the separation and distribution, such as a transition services agreement, a tax matters agreement, an employee matters agreement, an intellectual property matters agreement, a transitional trademark license agreement, a transition manufacturing and supply agreement, a reverse transition manufacturing and supply agreement and a stockholder and registration rights agreement. These agreements will provide for the allocation between ZimVie and Zimmer Biomet of assets, employees, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) associated with the spine and dental businesses and will govern certain relationships between ZimVie and Zimmer Biomet after the separation and distribution. The agreements listed above will be filed as exhibits to the registration statement on Form 10 of which this information statement is a part.

The summaries of each of the agreements listed above are qualified in their entireties by reference to the full text of the applicable agreements, which are incorporated by reference into this information statement. When used in this section, "distribution date" refers to the date on which Zimmer Biomet distributes shares of ZimVie common stock to the holders of shares of Zimmer Biomet common stock.

Separation Agreement

Transfer of Assets and Assumption of Liabilities

The separation agreement will identify the assets to be transferred, the liabilities to be assumed and the contracts to be assigned to each of ZimVie and Zimmer Biomet as part of the separation, and provide for when and how these transfers, assumptions and assignments will occur. In particular, the separation agreement will provide, among other things, which:

- assets (whether tangible or intangible) related to, or included on the balance sheet of, the spine and dental businesses, which are referred to as the "ZimVie Assets," will be transferred to us, generally including:
    - equity interests in certain Zimmer Biomet subsidiaries that hold assets related to the spine and dental businesses;
    - customer, distribution, supply and vendor contracts (or portions thereof) to the extent they relate to the spine and dental businesses;
    - exclusive rights to certain expressly scheduled trademarks, patents, and other registered intellectual property and to know-how and unregistered intellectual property that is primarily used or held for use in the spine and dental businesses and nonexclusive rights to other intellectual property used or held for use in the spine and dental businesses;

  - exclusive rights to information exclusively related to our business and nonexclusive rights to information related to the spine and dental businesses;
  - rights and assets expressly allocated to us pursuant to the terms of the separation agreement or certain other agreements entered into in connection with the separation;
  - permits used in our business; and
  - other assets that are included in our *pro forma* balance sheet;
- liabilities arising from or related to, or included on the balance sheet of, the spine and dental businesses, including liabilities arising from the operation of the spine and dental business after the distribution date, which are referred to as the "ZimVie Liabilities," will generally be retained by or transferred to us; and
- assets and liabilities (whether accrued, contingent, or otherwise) other than the ZimVie Assets and ZimVie Liabilities (such assets and liabilities, other that the ZimVie Assets and the ZimVie Liabilities, referred to as the "Zimmer Biomet Assets" and "Zimmer Biomet Liabilities," respectively) will be retained by or transferred to Zimmer Biomet.

Except as expressly set forth in the separation agreement or any ancillary agreement, neither we nor Zimmer Biomet will make any representation or warranty as to (1) the assets, business or liabilities transferred or assumed as part of the separation, (2) any consents or approvals required in connection with the transfers, (3) the value of or the freedom from any security interests of any of the assets transferred, (4) the absence or presence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other asset of either us or Zimmer Biomet, or (5) the legal sufficiency of any assignment, document or instrument delivered to convey title to any asset or thing of value to be transferred in connection with the separation. All assets will be transferred on an "as is," "where is" basis, and the respective transferees will bear the economic and legal risks that any conveyance will prove to be insufficient to vest in the transferee good and marketable title, free and clear of all security interests, and that any necessary approvals or notifications are not obtained or made or that any requirements of laws, agreements or judgments are not complied with.

Information in this information statement with respect to the assets and liabilities of the parties following the distribution is presented based on the allocation of such assets and liabilities pursuant to the separation agreement, unless the context otherwise requires. The separation agreement will provide that, in the event that the transfer or assignment of certain assets and liabilities to us or Zimmer Biomet, as applicable, does not occur prior to the separation, then until such assets or liabilities are able to be transferred or assigned, we or Zimmer Biomet, as applicable, will hold such assets on behalf and for the use and benefit of the other party.

Interim Operating Arrangements

The separation agreement will provide that, in order to obtain certain requisite approvals or notifications from governmental authorities, or for other business reasons, following the distribution date, Zimmer Biomet and certain of its affiliates will continue to operate certain activities relating to our business in certain jurisdictions until such time as the requisite approvals or notifications have been received or the occurrence of all other actions permitting the legal transfer of such activities. In accordance with the separation agreement and the applicable ancillary agreements, the relevant Zimmer Biomet entity will continue operations in the affected jurisdiction on our behalf, and we will receive, to the greatest extent possible, all of the economic benefits and burdens of such activities.

The Distribution

The separation agreement will also govern the rights and obligations of the parties regarding the distribution following the completion of the separation. On the distribution date, Zimmer Biomet will distribute to its stockholders that hold shares of Zimmer Biomet common stock as of the record date for the distribution of approximately 80.3 percent of the issued and outstanding shares of ZimVie common stock on a *pro rata* basis. Stockholders will receive cash in lieu of any fractional shares.

Conditions to the Distribution

The separation agreement will provide that the distribution is subject to satisfaction (or waiver by Zimmer Biomet) of certain conditions. These conditions are described under "The Separation and Distribution—Conditions to the Distribution." Zimmer Biomet has the sole and absolute discretion to determine (and change) the terms of, and to determine whether to proceed with, the distribution and, to the extent it determines to so proceed, to determine the record date for the distribution, the distribution date and the distribution ratio.

Financing

In connection with the spin-off, ZimVie expects to incur new third-party borrowings of approximately $561 million. Approximately $501 million of the proceeds from such indebtedness will be transferred to Zimmer Biomet on or prior to the distribution (subject to adjustment based on estimated cash and working capital). We currently expect to incur this indebtedness through Term Loan A borrowings. For more information on ZimVie's anticipated capital structure and the indebtedness we expect to incur in connection with the spin-off, see "Unaudited Pro Forma Condensed Combined Financial Statements" and "Description of Material Indebtedness."

Claims

In general, each party to the separation agreement will assume liability for all pending, threatened and unasserted legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters.

Releases

The separation agreement will provide that we and our affiliates will release and discharge Zimmer Biomet and its affiliates and representatives from all liabilities assumed by us as part of the separation, from all acts and events occurring or failing to occur, and all conditions existing, on or before the distribution date relating to our business, and from all liabilities existing or arising in connection with the implementation of the separation, except as expressly set forth in the separation agreement. Zimmer Biomet and its affiliates will release and discharge us and our affiliates and representatives from all liabilities retained by Zimmer Biomet and its affiliates as part of the separation and from all liabilities existing or arising in connection with the implementation of the separation, from all acts and events occurring or failing to occur, and all conditions existing, on or before the distribution date relating to Zimmer Biomet's business, except as expressly set forth in the separation agreement.

These releases will not extend to obligations or liabilities under certain agreements between the parties that remain in effect following the separation, which agreements include, but are not limited to, the separation agreement, the transition services agreement, the tax matters agreement, the intellectual property matters agreement, the transitional trademark license agreement, the employee matters agreement, the transitional trademark license agreement, the transition manufacturing and supply agreement, the reverse transition manufacturing and supply agreement and certain other agreements, including the transfer documents in connection with the separation.

Indemnification

In the separation agreement, subject to certain exceptions, we will agree to indemnify, defend and hold harmless Zimmer Biomet, each of its affiliates and each of their respective directors, officers and employees, from and against all liabilities relating to, arising out of or resulting from:

- the ZimVie Liabilities;
- the failure of us or any other person to pay, perform or otherwise promptly discharge any of the ZimVie Liabilities, in accordance with their respective terms, whether prior to, at or after the distribution;

- the conduct of any business, operation or activity by ZimVie or any of its subsidiaries whether before or after the distribution;
- except to the extent relating to a Zimmer Biomet Liability, any guarantee, indemnification or contribution obligation for our benefit by Zimmer Biomet that survives the distribution;
- any breach by us of the separation agreement or any of the ancillary agreements; and
- any untrue statement or alleged untrue statement or omission or alleged omission of material fact in the registration statement of which this information statement forms a part, or in this information statement (as amended or supplemented), other than any such statements or omissions directly relating to information regarding Zimmer Biomet, provided to us by Zimmer Biomet, for inclusion therein.

In the separation agreement, Zimmer Biomet will agree to indemnify, defend and hold harmless us, each of our affiliates and each of their respective directors, officers and employees from and against all liabilities relating to, arising out of or resulting from:

- the Zimmer Biomet Liabilities;
- the failure of Zimmer Biomet or any other person to pay, perform or otherwise promptly discharge any of the Zimmer Biomet Liabilities, in accordance with their respective terms whether prior to, at, or after the distribution;
- the conduct of any business, operation or activity by Zimmer Biomet or any of its subsidiaries from and after the Effective Time (other than the conduct of business, operations or activities for the benefit of ZimVie or any of its subsidiaries pursuant to the separation agreement or any of the ancillary agreements);
- except to the extent relating to a ZimVie Liability, any guarantee, indemnification or contribution obligation for the benefit of Zimmer Biomet by us that survives the distribution;
- any breach by Zimmer Biomet of the separation agreement or any of the ancillary agreements; and
- any untrue statement or alleged untrue statement or omission or alleged omission of a material fact directly relating to information regarding Zimmer Biomet, provided to us by Zimmer Biomet, for inclusion in the registration statement of which this information statement forms a part, or in this information statement (as amended or supplemented).

The separation agreement will also establish procedures with respect to claims subject to indemnification and related matters.

Insurance

The separation agreement will provide for the allocation between the parties of rights and obligations under existing insurance policies with respect to occurrences prior to the distribution date and addresses certain other insurance matters.

Further Assurances

In addition to the actions specifically provided for in the separation agreement, except as otherwise set forth therein or in any ancillary agreement, both we and Zimmer Biomet will agree in the separation agreement to use reasonable best efforts, prior to, on and after the distribution date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the separation agreement and the ancillary agreements.

Dispute Resolution

The separation agreement will contain provisions that govern, except as otherwise provided in any ancillary agreement, the resolution of disputes, controversies or claims that may arise between Zimmer Biomet and us related to the separation or distribution. These provisions will contemplate that efforts will be made to resolve disputes, controversies and claims by elevation of the matter to executives of Zimmer Biomet and us. If such efforts are not successful, either we or Zimmer Biomet may submit the dispute, controversy or claim to binding arbitration, subject to the provisions of the separation agreement.

Expenses

Except as expressly set forth in the separation agreement or in any ancillary agreement, all costs and expenses incurred on or prior to the distribution in connection with the separation and distribution, including costs and expenses relating to legal and tax counsel, financial advisors and accounting advisory work related to the separation and distribution, will be paid by the party incurring such cost and expense.

Other Matters

Other matters governed by the separation agreement will include access to financial and other information, confidentiality, access to and provision of records and treatment of outstanding guarantees.

Termination

The separation agreement will provide that it may be terminated, and the separation and distribution may be modified or abandoned, at any time prior to the distribution date in the sole and absolute discretion of Zimmer Biomet without the approval of any person, including us, our stockholders or Zimmer Biomet stockholders. In the event of a termination of the separation agreement, the separation agreement will become null and void and no party, nor any of its affiliates or representatives, will have any liability of any kind to the other party or any other person. After the distribution date, the separation agreement may not be terminated, except by an agreement in writing signed by both Zimmer Biomet and us.

Transition Services Agreement

We and Zimmer Biomet will enter into a transition services agreement prior to the distribution pursuant to which we and Zimmer Biomet will provide certain services to one another, on an interim, transitional basis. The services to be provided will include certain regulatory services, commercial services, operational services, tax services, clinical affairs services, information technology services, finance and accounting services and human resource and employee benefits services. The agreed-upon charges for such services are generally intended to allow the providing company to recover all costs and expenses of providing such services.

The transition services agreement will terminate on the expiration of the term of the last service provided under it, which will generally be no later than March 31, 2025.

Subject to certain exceptions in the case of willful misconduct or fraud, the liability of Zimmer Biomet and ZimVie under the transition services agreement for the services they provide will be limited to the aggregate service fees paid in the immediately preceding one-year period. The transition services agreement also provides that neither company shall be liable to the other for any indirect, exemplary, incidental, consequential, remote, speculative, punitive or similar damages.

Tax Matters Agreement

We and Zimmer Biomet will enter into a tax matters agreement prior to the distribution that will govern the parties' respective rights, responsibilities and obligations after the distribution with respect to taxes (including

taxes arising in the ordinary course of business and taxes, if any, incurred as a result of any failure of the distribution and certain related transactions to qualify as tax-free for U.S. federal income tax purposes), tax attributes, the preparation and filing of tax returns, tax elections, the control of audits and other tax proceedings and assistance and cooperation in respect of tax matters.

The tax matters agreement will also impose certain restrictions on us and our subsidiaries (including, among others, restrictions on share issuances, business combinations, sales of assets and similar transactions) designed to preserve the tax-free status of the distribution and certain related transactions. The tax matters agreement will provide special rules that allocate tax liabilities in the event the distribution, together with certain related transactions, is not tax-free. In general, under the tax matters agreement, each party is expected to be responsible for any taxes imposed on Zimmer Biomet or us that arise from the failure of the distribution, together with certain related transactions, to qualify as a transaction that is generally tax-free under Sections 355 and 368(a)(1)(D) and certain other relevant provisions of the Code, to the extent that the failure to so qualify is attributable to actions, events or transactions relating to such party's respective stock, assets or business, or a breach of the relevant representations or covenants made by that party in the tax matters agreement. However, if such failure was the result of any acquisition of our shares or assets, or of any of our representations, statements or undertakings being incorrect, incomplete or breached, we generally will be responsible for all taxes imposed as a result of such acquisition or breach.

As discussed below under the heading "Material U.S. Federal Income Tax Consequences," notwithstanding receipt by Zimmer Biomet of the IRS private letter ruling and the opinion(s) of tax advisors, the IRS could assert that the distribution or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, we, Zimmer Biomet, and Zimmer Biomet stockholders could be subject to significant U.S. federal income tax liability. In addition, certain events that may or may not be within the control of Zimmer Biomet or us could cause the distribution and certain related transactions to not qualify for tax-free treatment for U.S. federal income tax purposes. Depending on the circumstances, we may be required to indemnify Zimmer Biomet for taxes and certain related amounts resulting from the distribution and certain related transactions not qualifying as tax-free.

Employee Matters Agreement

We and Zimmer Biomet will enter into an employee matters agreement prior to the distribution to allocate liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs and other related matters. The employee matters agreement will govern certain compensation and employee benefits obligations with respect to the current and former employees and non-employee directors of each company.

The employee matters agreement will provide that, except as otherwise specified, Zimmer Biomet will generally be responsible for liabilities associated with employees who will remain employed by Zimmer Biomet and former employees whose last employment was with the Zimmer Biomet businesses, and we will be responsible for liabilities associated with employees who are or will be employed by us and former employees whose last employment was with our businesses.

The employee matters agreement will provide for the conversion of the outstanding awards granted under Zimmer Biomet's equity compensation programs into adjusted awards relating to shares of Zimmer Biomet and/or ZimVie common stock, as described above under the heading "The Separation and Distribution—Treatment of Equity Based Compensation." The adjusted awards generally will be subject to substantially the same terms, vesting conditions, post-termination exercise rules and other restrictions that applied to the original Zimmer Biomet award immediately before the separation.

Intellectual Property Matters Agreement

We and Zimmer Biomet will enter into an intellectual property matters agreement pursuant to which Zimmer Biomet will grant to us a non-exclusive, perpetual, royalty-free, fully paid-up, irrevocable, non-sublicensable

(except as described below) license to use certain intellectual property rights retained by Zimmer Biomet. We will be able to sublicense our rights in connection with activities relating to our and our affiliates' business but not for independent use by third parties.

We will also grant back to Zimmer Biomet a non-exclusive, perpetual, royalty-free, fully paid-up, irrevocable, non-sublicensable (except as described below) license to continue to use all intellectual property rights owned by or transferred to us. Zimmer Biomet will be able to sublicense its rights in connection with activities relating to Zimmer Biomet's and its affiliates' retained business but not for independent use by third parties. This license-back will permit Zimmer Biomet to continue to use our intellectual property rights in the conduct of its remaining businesses. We believe that the license-back will have little impact on our businesses because Zimmer Biomet's use of our intellectual property rights is generally limited to products and services that are not part of our businesses. Neither we nor Zimmer Biomet grants to the other any license to improvements made to any licensed intellectual property. The term of the intellectual property matters agreement is perpetual but may be earlier terminated by mutual agreement, for a material uncured breach, or for certain insolvency events.

The intellectual property matters agreement is intended to provide freedom to operate in the event that any of Zimmer Biomet's retained trade secrets, copyrights or patented technology is used in any of our businesses. However, we believe there may be relatively little use of such retained trade secrets, copyrights or patented technology in our businesses, and as a result, we do not believe that the intellectual property matters agreement has a material impact on any of our businesses.

Transitional Trademark License Agreement

We and Zimmer Biomet will enter into a transitional trademark license agreement pursuant to which Zimmer Biomet will grant to us a non-exclusive, royalty-free, non-transferable, non-assignable, and worldwide license to use certain Zimmer Biomet trademarks, corporate names and domain names for a transitional period following the distribution. The license will allow us to continue using certain of Zimmer Biomet's trademarks in order to provide sufficient time for us to rebrand or phase out our use of the licensed marks. Zimmer Biomet will also redirect certain licensed domain names to new domain names provided by us for a specific period of time.

We agree to use commercially reasonable efforts to remove and cease using Zimmer Biomet's trademarks on any promotional or other publicly available materials, and will generally discontinue such use as soon as reasonably practicable. In addition to the general requirement that we discontinue use as soon as reasonably practicable, we will be required to cease all use of the licensed marks within a specified period of time after the distribution date, and make all necessary filings required by law to receive all requisite regulatory approvals to change the corporate names and product names to names that are not similar to any Zimmer Biomet corporate names and product names. If we are unable to obtain all such approvals within the timeframes described in the agreement, the agreement allows for extensions in relation to any pending approvals as long as we consistently use reasonable best efforts to expeditiously obtain such approvals. Zimmer Biomet may immediately terminate its license to us if we breach any of our obligations under the agreement and fail to cure such breach within a reasonable period of time.

Transition Manufacturing and Supply Agreement and Reverse Transition Manufacturing and Supply Agreement

We and Zimmer Biomet will enter into a transition manufacturing agreement and a reverse transition manufacturing and supply agreement prior to the distribution pursuant to which we or Zimmer Biomet, as the case may be, will manufacture or cause to be manufactured certain products for the other party, on an interim, transitional basis. Pursuant to the transition manufacturing and supply agreement and the reverse transition manufacturing and supply agreement, we or Zimmer Biomet, as the case may be, will be required to purchase certain minimum amounts of products from the other party.

The transition manufacturing and supply agreement and the reverse transition manufacturing and supply agreement will terminate on the expiration of the term of the last product manufactured by us or Zimmer Biomet, as the case may be, pursuant to such agreements, which will generally be no later than March 1, 2027.

Stockholder and Registration Rights Agreement

We will enter into a stockholder and registration rights agreement with Zimmer Biomet pursuant to which we will agree that, upon the request of Zimmer Biomet, we will use our reasonable best efforts to effect the registration under applicable federal and state securities laws of any shares of ZimVie common stock retained by Zimmer Biomet. In addition, Zimmer Biomet will agree to vote any shares of ZimVie common stock that it retains immediately after the separation in proportion to the votes cast by our other stockholders. In connection with such agreement, Zimmer Biomet will grant us a proxy to vote its shares of ZimVie common stock in such proportion. This proxy, however, will be automatically revoked as to any particular share upon any sale or transfer of such share from Zimmer Biomet to a person other than Zimmer Biomet, and neither the voting agreement nor proxy will limit or prohibit any such sale or transfer.

Procedures for Approval of Related Person Transactions

On an annual basis, each director and executive officer will be obligated to complete a director and officer questionnaire which requires disclosure of any transactions with us in which the director or executive officer, or any member of his or her immediate family, has an interest. Under our Audit Committee's charter, which will be available on our website at *www.zimvie.com*, our Audit Committee must review and approve all related person transactions in which any executive officer, director, director nominee or more than 5% stockholder of the company, or any of their immediate family members, has a direct or indirect material interest. The Audit Committee may not approve a related person transaction unless (1) it is in or not inconsistent with our best interests and (2) where applicable, the terms of such transaction are at least as favorable to us as could be obtained from an unrelated third party.

Under our Code of Business Conduct and Ethics, which will be available on our website at *www.zimvie.com*, and related policies and procedures, actual or potential conflicts of interest involving any other employee must be disclosed to and resolved by our Human Resources Department.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of material U.S. federal income tax consequences of the distribution of ZimVie common stock to "U.S. holders" (as defined below) of Zimmer Biomet common stock. This discussion is based on the Code, U.S. Treasury regulations promulgated thereunder and judicial and administrative interpretations thereof, all as in effect on the date of this information statement, and all of which are subject to differing interpretations and change at any time, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. This discussion applies only to U.S. holders of shares of Zimmer Biomet common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment).

It is a condition to the distribution that the private letter ruling from the IRS regarding certain U.S. federal income tax matters relating to the separation and distribution received by Zimmer Biomet remain valid and be satisfactory to the Zimmer Biomet board of directors and that the Zimmer Biomet board of directors receive one or more opinions from its tax advisors, in each case, satisfactory to the Zimmer Biomet board of directors, regarding certain U.S. federal income tax matters relating to the separation and the distribution, including, with respect to the opinion(s).

This discussion assumes that the distribution, together with certain related transactions, will be consummated in accordance with the separation and distribution agreement and the other separation-related agreements that Zimmer Biomet and we will enter into prior to the distribution and as described in this information statement, and that the IRS takes no position inconsistent with the opinion(s) described above. This discussion is not a complete description of all U.S. federal income tax consequences of the separation and the distribution, nor does it address the effects of any state, local or non-U.S. tax laws or U.S. federal tax laws other than those relating to income taxes. The distribution may be taxable under such other tax laws and all holders should consult their own tax advisors with respect to the applicability and effect of any such tax laws. This discussion does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular holder in light of its particular circumstances or to holders subject to special rules under the Code (including, but not limited to, insurance companies, tax-exempt organizations, financial institutions, broker-dealers, partners in partnerships that hold Zimmer Biomet or ZimVie common stock, pass-through entities (or investors therein), traders in securities who elect to apply a mark-to-market method of accounting, holders who hold Zimmer Biomet or ZimVie common stock as part of a "hedge," "straddle," "conversion," "synthetic security," "integrated investment" or "constructive sale transaction," individuals who receive ZimVie common stock upon the exercise of employee stock options or otherwise as compensation, holders who are liable for alternative minimum tax or any holders who actually or constructively own more than five percent of Zimmer Biomet common stock). This discussion also does not address any tax consequences arising under the unearned Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. If a partnership, including for this purpose any entity or arrangement that is treated as a partnership for U.S. federal income tax purposes, holds Zimmer Biomet common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the U.S. federal income tax consequences of the distribution.

For purposes of this discussion, a "U.S. holder" is any beneficial owner of Zimmer Biomet common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or a resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions; or (ii) it has a valid election in place under applicable U.S. Treasury Regulations to be treated as a United States person.

THIS DISCUSSION IS FOR GENERAL INFORMATION PURPOSES ONLY, AND IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR STOCKHOLDER. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE DISTRIBUTION, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE AND LOCAL AND FOREIGN TAX LAWS, IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES AND THE EFFECT OF POSSIBLE CHANGES IN LAW THAT MIGHT AFFECT THE TAX CONSEQUENCES DESCRIBED IN THIS INFORMATION STATEMENT.

The IRS private letter ruling is, and the opinion(s) of tax advisors will be, based upon and rely on, among other things, the continuing validity of the private letter ruling, various facts and assumptions, as well as certain representations, statements and undertakings of ZimVie and Zimmer Biomet (including those relating to the past and future conduct of ZimVie and Zimmer Biomet). If any of these representations, statements or undertakings is, or becomes, inaccurate or incomplete, or if ZimVie or Zimmer Biomet breach any of their respective representations or covenants contained in any of the separation-related agreements and documents or in any documents relating to the IRS private letter ruling and/or the opinion(s) of tax advisors, such IRS private letter ruling and/or the opinion(s) of tax advisors may be invalid and the conclusions reached therein could be jeopardized.

Notwithstanding receipt by Zimmer Biomet of the IRS private letter ruling and the opinion(s) of tax advisors, the IRS could determine that the distribution and/or certain related transactions should be treated as taxable transactions for U.S. federal income tax purposes if it determines that any of the representations, assumptions or undertakings upon which the IRS private letter ruling or the opinion(s) of tax advisors were based are false or have been violated. In addition, neither the IRS private letter ruling nor the opinion(s) of tax advisors address or will address all of the issues that are relevant to determining whether the distribution, together with certain related transactions, qualifies as a transaction that is generally tax-free for U.S. federal income tax purposes. An opinion of a tax advisor represents the judgment of such tax advisor and is not binding on the IRS or any court, and the IRS or a court may disagree with the conclusions in the opinion(s) of tax advisors. Accordingly, notwithstanding receipt by Zimmer Biomet of the IRS private letter ruling and the opinion(s) of tax advisors, there can be no assurance that the IRS will not assert that the distribution and/or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail in such challenge, Zimmer Biomet, ZimVie and Zimmer Biomet stockholders could be subject to significant U.S. federal income tax liability. Please refer to “Material U.S. Federal Income Tax Consequences if the Distribution is Taxable” below.

It is expected that, for U.S. federal income tax purposes:

- subject to the discussion below regarding Section 355(e) of the Code, neither ZimVie nor Zimmer Biomet should recognize any gain or loss upon the separation and the distribution of ZimVie common stock, and no amount should be includable in the income of Zimmer Biomet or ZimVie as a result of the separation and the distribution other than taxable income or gain possibly arising out of internal reorganizations undertaken in connection with the separation and distribution and with respect to any items required to be taken into account under U.S. Treasury Regulations relating to consolidated federal income tax returns;
- no gain or loss should be recognized by (and no amount should be included in the income of) U.S. holders of Zimmer Biomet common stock upon the receipt of ZimVie common stock in the distribution, except with respect to any cash received in lieu of fractional shares of ZimVie common stock (as described below);
- the aggregate tax basis of the ZimVie common stock received in the distribution (including any fractional share interest in ZimVie common stock for which cash is received) and the Zimmer Biomet common stock in the hands of each U.S. holder of Zimmer Biomet common stock immediately after the distribution should equal the aggregate tax basis of Zimmer Biomet common stock held by the U.S.

holder immediately before the distribution, allocated between the Zimmer Biomet common stock and ZimVie common stock (including any fractional share interest in ZimVie common stock for which cash is received) in proportion to the relative fair market value of each on the date of the distribution; and

- the holding period of ZimVie common stock received by each U.S. holder of Zimmer Biomet common stock in the distribution (including any fractional share interest in ZimVie common stock for which cash is received) should generally include the holding period at the time of the distribution for the Zimmer Biomet common stock with respect to which the distribution is made.

A U.S. holder who receives cash in lieu of a fractional share of ZimVie common stock in the distribution will be treated as having sold such fractional share for cash, and will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and such U.S. holder's adjusted tax basis in such fractional share. Such gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for its Zimmer Biomet common stock exceeds one year at the time of distribution.

If a U.S. holder of Zimmer Biomet common stock holds different blocks of Zimmer Biomet common stock (generally shares of Zimmer Biomet common stock purchased or acquired on different dates or at different prices), such holder should consult its tax advisor regarding the determination of the basis and holding period of shares of ZimVie common stock received in the distribution in respect of particular blocks of Zimmer Biomet common stock.

U.S. Treasury Regulations require certain U.S. holders who receive shares of ZimVie common stock in the distribution to attach to such U.S. holder's federal income tax return for the year in which the distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the distribution.

Material U.S. Federal Income Tax Consequences if the Distribution is Taxable.

As discussed above, notwithstanding the receipt by Zimmer Biomet of the IRS private letter ruling and the opinion(s) of tax advisors, the IRS could assert that the distribution does not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS were successful in taking this position, some or all of the consequences described above would not apply and Zimmer Biomet, ZimVie and Zimmer Biomet stockholders could be subject to significant U.S. federal income tax liability. In addition, certain events that may or may not be within our control or the control of Zimmer Biomet could cause the distribution and certain related transactions to not qualify for tax-free treatment for U.S. federal income tax purposes. Depending on the circumstances, we may be required to indemnify Zimmer Biomet for certain taxes (and certain related amounts) resulting from the distribution and certain related transactions not qualifying as tax-free.

If the distribution fails to qualify as a tax-free transaction for U.S. federal income tax purposes, in general, Zimmer Biomet would recognize taxable gain as if it had sold the ZimVie common stock in a taxable sale for an amount equal to its fair market value (unless Zimmer Biomet and we jointly make an election under Section 336(e) of the Code with respect to the distribution, in which case, in general, (i) the Zimmer Biomet group would recognize taxable gain as if it had sold all of its assets in a taxable sale in exchange for an amount equal to the fair market value of ZimVie common stock and the assumption of all of ZimVie's liabilities and (ii) we would obtain a related step-up in the basis of such assets deemed acquired) and Zimmer Biomet stockholders who receive ZimVie common stock in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of our common stock.

Even if the distribution were to otherwise qualify as tax-free under Sections 355 and 368(a)(1)(D) of the Code, it may result in taxable gain to Zimmer Biomet under Section 355(e) of the Code if the distribution were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, shares representing a 50 percent or greater interest (by vote or value) in Zimmer Biomet or us. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual in nature, and subject to a comprehensive analysis of the facts and circumstances of the particular case. In

general, however, any acquisitions of Zimmer Biomet's or our shares within the period beginning two years before the separation and ending two years after the separation are presumed to be part of such a plan, although we or Zimmer Biomet may be able to rebut that presumption.

In connection with the distribution, we and Zimmer Biomet will enter into a tax matters agreement pursuant to which we will be responsible for certain liabilities and obligations following the distribution. In general, under the tax matters agreement, each party is expected to be responsible for any taxes imposed on Zimmer Biomet or us that arise from the failure of the distribution, together with certain related transactions, to qualify as a transaction that is generally tax-free under Sections 355 and 368(a)(1)(D) and certain other relevant provisions of the Code (including as a result of Section 355(e) of the Code), to the extent that the failure to so qualify is attributable to actions, events or transactions relating to such party's respective stock, assets or business, or a breach of the relevant representations or covenants made by that party in the tax matters agreement. However, if such failure was the result of any acquisition of our shares or assets, or of any of our representations, statements or undertakings being incorrect, incomplete or breached, we generally will be responsible for all taxes imposed as a result of such acquisition or breach. Our indemnification obligations to Zimmer Biomet under the tax matters agreement are not expected to be limited in amount or subject to any cap. If we are required to pay any taxes or indemnify Zimmer Biomet and its subsidiaries and their respective officers and directors under the circumstances set forth in the tax matters agreement, we may be subject to substantial liabilities.

Backup Withholding and Information Reporting.

Payments of cash to U.S. holders of Zimmer Biomet common stock in lieu of fractional shares of ZimVie common stock may be subject to information reporting and backup withholding, unless such U.S. holder delivers a properly completed IRS Form W-9 certifying such U.S. holder's correct taxpayer identification number and certain other information, or otherwise establishing a basis for exemption from backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against a U.S. holder's U.S. federal income tax liability *provided that* the required information is timely furnished to the IRS.

DESCRIPTION OF MATERIAL INDEBTEDNESS

On December 17, 2021, we entered into a new senior secured credit facility, which provides for revolving loans of up to $175 million (the "Revolver") and term loan borrowings of up to $595 million. Concurrently with the spin-off, we intend to borrow the entire $595 million of available term loan borrowings, and repay $34 million of such borrowings on or about two business days thereafter, with the repayment applying ratably to the entire schedule of amortization payments and preserving the amortization schedule below (the $561 million of borrowings following such repayment, the "Term Loan" and, together with the Revolver, the "Credit Facility"). Set forth below is a summary of the terms of the Credit Facility. The description of the Credit Facility is qualified in its entirety by reference to the Credit Agreement providing for the Credit Facility, which is filed as an exhibit to the registration statement on Form 10, of which this information statement forms a part, and which is incorporated by reference into this information statement.

The Credit Facility has an initial term of five years after the date on which funds are initially advanced. The Term Loans will amortize in equal quarterly installments in an aggregate amount equal to (i) 2.5% per annum of the original principal amount of the Term Loan for the first two years of the facility, (ii) 5.0% per annum of the original principal amount of the Term Loan for the following year of the facility and (iii) 10.0% per annum of the original principal amount of the Term Loan for the last two years of the facility, commencing at the end of the first full fiscal quarter after the closing date, with the unpaid balance due in full on the maturity date. ZimVie is permitted to voluntarily prepay the loans under the Credit Facility at any time without premium or penalty, other than breakage fees. We may request, subject to obtaining commitments from any participating lenders and certain other conditions, incremental commitments to increase the amount of the Revolver or Term Loan available under the Credit Facility in an aggregate principal amount equal to $70.0 million, plus an additional amount, subject to the terms and conditions of the Credit Facility.

Borrowings under the Revolver and the Term Loan will bear interest, in the case of each term benchmark borrowing, at the adjusted term SOFR rate for the interest period in effect for such borrowing, plus an applicable margin, which will range from 1.50% to 1.75%, based on ZimVie's consolidated total net leverage ratio. Borrowings under the Credit Facility that are not term benchmark borrowings will bear interest at a per annum rate equal to (i) the greatest of (a) the prime rate in effect on such day, (b) the NYFRB rate in effect on such day plus ½ of 1% and (c) the adjusted term SOFR rate for a one month interest period as published two U.S. government securities business days prior to such day (or if such day is not a business day, the immediately preceding business day) plus 1%, plus (ii) an applicable margin, which may range from 0.50% to 0.75%, based on ZimVie's consolidated total net leverage ratio. Upon the closing date, we anticipate that the applicable margin will be 1.75% for term benchmark borrowings and 0.75% for non-term benchmark borrowings. Commitments under the Revolver will be subject to a commitment fee on the unused portion of the Revolver of 25 basis points.

The Credit Facility contains various covenants that restrict the ability of ZimVie and its subsidiaries to take certain actions on or after the closing date, including, incurrence of indebtedness, creation of liens, mergers or consolidations, dispositions of assets, making certain investments, prepayments or redemptions of subordinated debt, or making certain restricted payments. In addition, the Credit Facility contains financial covenants that require ZimVie to maintain at the end of any of its fiscal quarters commencing with the first full fiscal quarter ending after the closing date, a maximum consolidated total net leverage ratio of 6.00 to 1.00. The Credit Facility also contains various customary events of default, including payment defaults, defaults under certain other indebtedness, and a change of control of ZimVie.

We expect the draw down under the Term Loan to occur substantially concurrently with the spin-off. The lenders' obligation to fund the borrowings on the closing date is subject to several conditions, including, among others, that the plan to separate ZimVie shall have occurred substantially concurrently at the same time as such funding.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Before the distribution, all of the outstanding shares of ZimVie common stock will be owned beneficially and of record by Zimmer Biomet. Following the distribution, we expect to have outstanding an aggregate of approximately 26.1 million shares of common stock based upon approximately 209.2 million shares of Zimmer Biomet common stock outstanding on February 1, 2022, excluding treasury shares and assuming no exercise of Zimmer Biomet options, and applying the distribution ratio. Zimmer Biomet will continue to own approximately 19.7 percent of the shares of ZimVie common stock following the distribution.

Security Ownership of Certain Beneficial Owners

As of the date hereof, all of the issued and outstanding shares of ZimVie common stock are owned directly by Zimmer Biomet. After the separation and distribution, Zimmer Biomet will own less than approximately 19.7 percent of the shares of ZimVie common stock. The following table reports the number of shares of ZimVie common stock that we expect will be beneficially owned, immediately following the completion of the distribution, by each person who will beneficially own more than five percent of ZimVie common stock. The table is based upon information available as of February 1, 2022 as to those persons who beneficially own more than five percent of Zimmer Biomet common stock and an assumption that, for every ten shares of Zimmer Biomet common stock held by such persons, they will receive one share of ZimVie common stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Zimmer Biomet 345 East Main Street Warsaw, IN 46580	5,130,000	19.7%
BlackRock, Inc.(1) 55 East 52nd Street New York, NY 10055	2,179,343	8.4%
The Vanguard Group(2) 100 Vanguard Boulevard Malvern, PA 19355	1,570,378	6.0%

(1) Based on the Schedule 13G/A filed with the SEC on January 28, 2022 by BlackRock, Inc. and certain subsidiaries (“BlackRock”) with respect to Zimmer Biomet common stock. BlackRock reported that it had sole voting power over 20,003,069 shares of Zimmer Biomet common stock and sole dispositive power over 21,793,439 shares of Zimmer Biomet common stock.

(2) Based on the Schedule 13G/A filed with the SEC on February 10, 2021 by The Vanguard Group and certain subsidiaries (“Vanguard”) with respect to Zimmer Biomet common stock. Vanguard reported that it had shared voting power over 336,218 shares of Zimmer Biomet common stock, sole dispositive power over 14,801,432 shares of Zimmer Biomet common stock and shared dispositive power over 902,353 shares of Zimmer Biomet common stock.

Share Ownership of Executive Officers and Directors

The following table sets forth information, immediately following the completion of the distribution, calculated as of February 1, 2022, regarding (1) each of our expected directors and executive officers and (2) all of our expected directors and executive officers as a group, in each case based on an assumption that for every ten shares of Zimmer Biomet common stock held by such persons, they will receive one share of ZimVie common stock. For purposes of this table, a person is deemed to beneficially own shares if that person has the right to acquire such shares within 60 days of February 1, 2022. The address of each director, director nominee and executive officer shown in the table below is c/o ZimVie Inc., 10225 Westmoor Drive, Westminster, CO 80021, Attention: Corporate Secretary.

Name of Beneficial Owner	Shares Beneficially Owned	Percent of Class
Vinit Asar	—	*
Sally Crawford	127	*
David King	4	*
Karen Matusinec	—	*
Vafa Jamali	15(1)	*
Richard Heppenstall	—	*
Rebecca Whitney	— (2)	*
Indraneel Kanaglekar	153(3)	*
David Harmon	—	*
Heather Kidwell	484(4)	*
All Directors and Executive Officers as a Group (10 persons)	783	*

* Less than one percent.

(1) Excludes 2,698 Zimmer Biomet RSUs that will be converted to ZimVie RSUs and 18,340 Zimmer Biomet options that will be converted to ZimVie options following completion of the spin-off in accordance with the employee matters agreement and that are vested or vest within 60 days of February 1, 2022.

(2) Excludes 23,098 Zimmer Biomet options that will be converted to ZimVie options following completion of the spin-off in accordance with the employee matters agreement and that are vested or vest within 60 days of February 1, 2022.

(3) Excludes 6,287 Zimmer Biomet options that will be converted to ZimVie options following completion of the spin-off in accordance with the employee matters agreement and that are vested or vest within 60 days of February 1, 2022.

(4) Excludes 11,343 Zimmer Biomet options that will be converted to ZimVie options following completion of the spin-off in accordance with the employee matters agreement and that are vested or vest within 60 days of February 1, 2022.

DESCRIPTION OF OUR CAPITAL STOCK

Our certificate of incorporation and bylaws will be amended and restated prior to the completion of the distribution. The following is a summary of the material terms of our capital stock that will be contained in the amended and restated certificate of incorporation and bylaws. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of the certificate of incorporation or of the bylaws to be in effect at the time of the distribution, which you must read for complete information on our capital stock as of the time of the distribution. The certificate of incorporation and bylaws, each in a form expected to be in effect at the time of the distribution, will be included as exhibits to our registration statement on Form 10, of which this information statement forms a part. The summaries and descriptions below do not purport to be complete statements of the DGCL.

General

Our authorized capital stock is expected to consist of approximately 150,000,000 shares of common stock, par value $0.01 per share, and 15,000,000 shares of preferred stock, par value $0.01 per share. Our board of directors will have the power to issue any or all of the shares of the Company's capital stock, including the authority to establish one or more series of preferred stock and to fix the powers, preferences, rights and limitations of such class or series, without seeking stockholder approval, which could delay, defer or prevent any attempt to acquire or control us. Immediately following the distribution, we expect that approximately 26.1 million shares of ZimVie common stock will be issued and outstanding, based on approximately 209.2 million shares of Zimmer Biomet common stock issued and outstanding on February 1, 2022, and that no shares of preferred stock will be issued and outstanding.

Common Stock

After the distribution, all outstanding shares of ZimVie common stock will be duly authorized, validly issued, fully paid and non-assessable. The rights, preferences and privileges of the holders of ZimVie common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Voting Rights. The holders of shares of our common stock will be entitled to one vote per share on all matters to be voted on by stockholders. The holders of shares of our common stock will not be entitled to cumulate their votes in the election of directors, which means that holders of a majority of the outstanding shares of our common stock can elect all of our directors.

Dividend Rights. The holders of shares of our common stock will be entitled to receive such dividends as our board of directors may from time to time, and in its discretion, declare from any funds legally available therefor.

Liquidation Rights. Upon our liquidation, after payment or provision for payment of all of our obligations and any liquidation preference of any outstanding preferred stock, the holders of shares of our common stock will be entitled to share ratably in our remaining assets.

No Preemptive Rights. The holders of shares of our common stock are not entitled to preemptive, subscription or conversion rights, and there are no redemption or sinking fund provisions applicable to the common stock. The holders of shares of our common stock are not subject to further calls or assessments by us.

Preferred Stock

Under the terms of our amended and restated certificate of incorporation, our board of directors will be authorized, subject to limitations prescribed by the DGCL, and by our certificate of incorporation, to issue shares of preferred stock in one or more series without further action by the holders of our common stock. Our board of directors will have the discretion, subject to the limitations proscribed by the DGCL and by our certificate of incorporation, to determine the designation, powers, privileges, preferences and rights of the shares of each series of preferred stock and the qualifications, limitations and restrictions thereof.

Corporate Governance

Single Class Capital Structure. The common stock shall have the exclusive right to vote for the election of directors and for all other purposes, with each holder of common stock entitled to one vote per share, and holders of preferred stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. Each share of common stock shall be equal to every other share of common stock, except as otherwise provided in the certificate of incorporation or required by law.

Director Elections. Upon completion of the separation, until the 2026 annual meeting of stockholders, the Company's board of directors will be divided into three classes, with Class I initially composed of one director, Class II initially composed of two directors and Class III initially composed of two directors. The director designated as a Class I director will have a term expiring at the first annual meeting of stockholders following the distribution, which the Company expects to hold in 2023, and will be up for re-election at that meeting for a three-year term to expire at the 2026 annual meeting of stockholders. The directors designated as Class II directors will have terms expiring at the following year's annual meeting of stockholders, which the Company expects to hold in 2024, and will be up for re-election at that meeting for a two-year term to expire at the 2026 annual meeting of stockholders. The directors designated as Class III directors will have terms expiring at the following year's annual meeting of stockholders, which the Company expects to hold in 2025**,** and will be up for re-election at that meeting for a one-year term to expire at the 2026 annual meeting of stockholders. Commencing with the 2026 annual meeting of stockholders, directors will be elected annually and for a term of office to expire at the next annual meeting of stockholders, and our board of directors will thereafter no longer be divided into classes.

At any meeting of stockholders for the election of directors at which a quorum is present, the election will be determined by a majority of the votes cast with respect to that director's election, with directors not receiving a majority of the votes cast required to tender their resignations for consideration by the board, except that in the case of a contested election, the election will be determined by a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. Before our board of directors is declassified, it would take at least three elections of directors for any individual or group to gain control of our board of directors. Accordingly, while the board of directors is divided into classes, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to gain control of the Company.

Special Meetings of Stockholders. Our amended and restated certificate of incorporation and/or bylaws will provide that a special meeting of stockholders may be called only by a majority of the Company's board of directors pursuant to a resolution stating the purpose or purposes of the special meeting.

Majority Vote for Mergers and Other Business Combinations. Mergers and other business combinations involving the Company will generally be required to be approved by a majority vote where such stockholder approval is required.

Other Expected Corporate Governance Features. Governance features related to our board of directors are set forth in the section of this information statement captioned "Board of Directors and Corporate Governance." In addition to the foregoing, it is expected that we will implement stock ownership guidelines for directors and senior executive officers, annual board performance evaluations, recoupment and anti-hedging policies, prohibitions on option repricing in equity plans without stockholder approval, risk oversight procedures and other practices and protocols.

Anti-Takeover Effects of Various Provisions of Delaware Law and Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation, bylaws and certain provisions of the DGCL may have an anti-takeover effect. These provisions may delay, defer or prevent a tender offer or takeover attempt that a

stockholder would consider in its best interest. This includes an attempt that might result in a premium over the market price for the shares of common stock held by stockholders. These provisions, summarized below and in the "Special Meetings of Stockholders" section described above, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids. They are also expected to encourage persons seeking to acquire control of the Company to negotiate first with our board of directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging takeover proposals because, among other things, negotiation of takeover proposals might result in an improvement of their terms.

Delaware Anti-Takeover Law. We are a Delaware corporation and, as such, we will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a public Delaware corporation from engaging in a Business Combination (as defined below) with an Interested Stockholder (as defined below) for three years after the time in which the person became an Interested Stockholder, unless:

- prior to such person becoming an Interested Stockholder, the board of directors approved either the Business Combination or the transaction in which the stockholder became an Interested Stockholder;
- upon becoming an Interested Stockholder, the stockholder owned at least 85% of the Company's outstanding voting stock other than shares held by directors who are also officers and certain employee benefits plans; or
- the Business Combination is approved by both the board of directors and by holders of at least two-thirds of the Company's outstanding voting stock, excluding shares owned by the Interested Stockholder, at a meeting and not by written consent.

For purposes of Section 203 of the DGCL, the below definitions apply:

- "Business Combination" means mergers, asset sales and other similar transactions with an Interested Stockholder; and
- "Interested Stockholder" means a person who, together with its affiliates and associates, owns, or under certain circumstances has owned, within the prior three years, 15% or more of the outstanding voting stock.

Although Section 203 permits a Delaware corporation to elect not to be governed by its provisions, we will not make this election.

Size of Board and Vacancies. Our amended and restated certificate of incorporation will provide that the number of directors on our board of directors will be fixed exclusively by our board of directors pursuant to a resolution adopted by a majority of the whole board (but shall not be less than three). Any vacancies created in our board of directors resulting from any increase in the authorized number of directors or the death, resignation, disqualification, removal from office or other cause will be filled by an affirmative vote of a majority of the board of directors then in office, even if less than a quorum is present and not by the stockholders. Any director appointed to fill a vacancy on our board of directors will be appointed for the remainder of the full term of the class of directors in which the vacancy occurred, and until his or her successor has been elected and qualified.

Director Removal. Our amended and restated certificate of incorporation and/or bylaws will provide that (i) prior to our board of directors being declassified as discussed above, our stockholders will be permitted to remove a director only for cause, consistent with the DGCL requirements for classified boards, and (ii) after our board of directors has been fully declassified, our stockholders may remove directors with or without cause.

Amendments to Bylaws. Our amended and restated certificate of incorporation and bylaws will provide that our board of directors has the right to amend, repeal, and adopt new bylaws upon the affirmative vote of a majority of the board of directors. The bylaws may also be amended, repealed, and new bylaws may be adopted, at any meeting of the stockholders upon the affirmative vote of the holders of a majority of the voting power of the then issued and outstanding voting stock.

Stockholder Action by Written Consent. Our amended and restated certificate of incorporation will expressly eliminate the right of stockholders to act by written consent. Stockholder action may only take place at an annual or a special meeting of our stockholders.

Advance Notice Provision. Our amended and restated bylaws will establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or bring other business before an annual meeting of stockholders. This procedure will provide that:

- the only persons who will be eligible for election as directors are persons who are nominated by or at the direction of the board of directors, or by a stockholder who has given timely written notice containing specified information to the Company's secretary prior to the meeting at which directors are to be elected; and
- the only business that may be conducted at an annual meeting is business that has been brought before the meeting by or at the direction of the board of directors, or by a stockholder who has given timely written notice to the secretary of the stockholder's intention to bring the business before the meeting.

In general, we must receive written notice of stockholder nominations to be made or business to be brought at an annual meeting no later than 90 calendar days nor earlier than 120 calendar days prior to the first anniversary of the date of the previous year's annual meeting provided, however, that in the event that the date of the annual meeting is more than thirty 30 calendar days before or more than 60 calendar days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th calendar day prior to such annual meeting and not later than the close of business on the later of the ninetieth 90th calendar day prior to such annual meeting or the tenth 10th calendar day following the calendar day on which public announcement of the date of such meeting is first made by the Company. The notice must contain information concerning (i) the nominees or the matters to be brought before the meeting and (ii) the stockholder submitting the proposal. For the purposes of the advance notice provisions of our amended and restated bylaws, the 2022 annual meeting of stockholders will be deemed to have been held on [●], 2022.

The purposes of requiring stockholders to give us advance notice of nominations and other business include the following:

- to afford the board of directors a meaningful opportunity to consider the qualifications of the proposed nominees or the advisability of the other proposed business;
- to the extent necessary or desirable by the board of directors, to inform stockholders and make recommendations about such qualifications or business; and
- to provide a more orderly procedure for conducting meetings of stockholders.

Our amended and restated bylaws will not give our board of directors any power to disapprove stockholder nominations for the election of directors or proposals for action. However, these provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders. Our amended and restated bylaws may also deter a third party from soliciting proxies to approve its own proposal, without regard to whether consideration of the proposals might be harmful or beneficial to us and our stockholders.

No Cumulative Voting. The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors, unless the Company's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.

Undesignated Preferred Stock. The authority that our board of directors will possess to issue preferred stock could potentially be used to discourage attempts by third parties to obtain control of our Company through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. Our board of directors may be able to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors, and our amended and restated certificate of incorporation will include such an exculpation provision. Our amended and restated certificate of incorporation will include provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as a director or officer of our Company, or for serving at our request as a director, officer, employee, or agent at another corporation or enterprise, as the case may be. Our amended and restated certificate of incorporation will also provide that we must indemnify and advance reasonable expenses to our directors and officers, subject to receipt of an undertaking from the indemnified party as may be required under the DGCL. Our amended and restated certificate of incorporation will expressly authorize us to carry directors' and officers' insurance to protect our Company and our directors, officers and certain employees against some liabilities.

The limitation of liability and indemnification provisions that will be in our amended and restated certificate of incorporation may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit our Company and our stockholders. However, these provisions will not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief, such as an injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. There is currently no pending material litigation or proceeding against any of our directors, officers or employees for which indemnification is sought.

Exclusive Forum

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to an alternative forum, a state or federal court located in the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of ours to us or our stockholders, (iii) any action asserting a claim against us or any director, officer or other employee of ours arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against us or any director, officer or other employee of ours governed by the internal affairs doctrine. In addition, unless we otherwise consent in writing, the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act shall be the federal district courts of the United States. Although we believe this provision will benefit us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, it may have the effect of discouraging lawsuits against us or our directors and officers. The enforceability of similar choice of forum provisions in other companies' governing documents has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation will provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, since Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought

to enforce any duty of liability created by the Exchange Act or the rules and regulations thereunder, our certificate of incorporation will further provide that the exclusive forum provision does not apply to actions arising under the Exchange Act or the rules and regulations thereunder.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without your approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of our Company by means of a proxy contest, tender offer, merger or otherwise.

Listing

We have applied to list our shares of common stock on Nasdaq under the symbol “ZIMV.”

Sale of Unregistered Securities

On July 30, 2021, we issued 100 shares of ZimVie common stock to Zimmer Biomet pursuant to Section 4(a)(2) of the Securities Act. We did not register the issuance of the issued shares under the Securities Act because such issuance did not constitute a public offering.

Transfer Agent and Registrar

After the distribution, the transfer agent and registrar for shares of ZimVie common stock will be Computershare.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form 10 with respect to the shares of ZimVie common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to our Company and ZimVie common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document filed as an exhibit to the registration statement include the material terms of such contract or other document. However, such statements are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, on the Internet website maintained by the SEC at *www.sec.gov*. **Information contained on or connected to any website referenced in this information statement is not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.**

As a result of the distribution, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC. We intend to furnish holders of our common stock with annual reports containing consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this information statement or to which this information statement has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

The Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.
Index to Combined Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Zimmer Biomet Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc. (the "Company") as of December 31, 2020 and 2019, and the related combined statements of earnings, comprehensive income (loss), changes in net parent investment, and cash flows, for each of the three years in the period ended December 31, 2020, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these combined financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the combined financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the combined financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the combined financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment Assessment – Dental Reporting Unit

As described in Notes 2 and 11 to the combined financial statements, the Company's goodwill balance was $273.7 million as of December 31, 2020 and was associated with the dental reporting unit. Management performs an impairment test in the fourth quarter of each year or whenever events or changes in circumstances indicate that the carrying value of the reporting unit's assets may not be recoverable.

Potential impairment of a reporting unit is identified by comparing the reporting unit's estimated fair value to its carrying amount. Management estimated the fair value of the dental reporting unit based on income and market approaches. Fair value under the income approach was determined by discounting to present value the estimated future cash flows of the reporting unit. Fair value under the market approach utilized the guideline public company methodology, which uses valuation indicators from other businesses that are similar to the dental reporting unit. Significant assumptions are incorporated into the discounted cash flow analysis such as revenue growth rates, gross margins, operating margins, and risk-adjusted discount rates.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the dental reporting unit is a critical audit matter are (i) the significant judgment by management related to the discounted cash flow analysis when developing the fair value measurement of the reporting unit; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and in evaluating management's significant assumptions related to revenue growth rates, gross margins, operating margins, and risk-adjusted discount rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the combined financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the discounted cash flow analysis related to the valuation of the dental reporting unit. These procedures also included, among others, (i) testing management's process for developing the fair value estimate; (ii) evaluating the appropriateness of management's fair value approaches; (iii) testing the completeness and accuracy of the underlying data used in the discounted cash flow analysis; and (iv) evaluating the reasonableness of the significant assumptions used by management in the discounted cash flow analysis related to the revenue growth rates, gross margins, operating margins, and risk-adjusted discount rates. Evaluating management's assumptions related to revenue growth rates, gross margins, and operating margins involved evaluating whether the assumptions used by management were reasonable considering (i) the past performance of the reporting unit; (ii) the consistency with external data from market and industry sources; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow analysis and the risk-adjusted discount rate assumption.

/s/ PricewaterhouseCoopers LLP
Chicago, Illinois
August 9, 2021, except for the effects of the change in reporting entity described in Note 1, as to which the date is November 12, 2021, and except for the effects of the segment change described in Note 16, as to which the date is December 14, 2021.

We have served as the Company's auditor since 2021.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
COMBINED STATEMENTS OF EARNINGS
(in millions)

	For the Years Ended December 31,		
	2020	2019	2018
Net Sales			
Third party, net	$ 896.9	$1,021.6	$1,044.9
Related party, net	15.5	33.9	54.2
Total Net Sales	912.4	1,055.5	1,099.1
Cost of products sold, excluding intangible asset amortization	302.7	309.4	345.5
Related party cost of products sold, excluding intangible asset amortization	10.2	24.5	37.2
Intangible asset amortization	85.5	83.4	95.2
Research and development	49.2	55.6	52.3
Selling, general and administrative	533.5	605.4	599.9
Goodwill impairment	142.0	—	411.7
Restructuring	9.7	1.8	—
Acquisition, integration, divestiture and related	2.2	3.2	30.8
Operating expenses	1,135.0	1,083.3	1,572.6
Operating Loss	(222.6)	(27.8)	(473.5)
Other income (expense), net	1.6	0.2	(0.6)
Interest expense, net	(0.3)	(0.1)	(0.1)
Loss before income taxes	(221.3)	(27.7)	(474.2)
(Benefit) provision for income taxes	(42.3)	0.2	(14.8)
Net Loss	(179.0)	(27.9)	(459.4)
Less: Net earnings attributable to noncontrolling interest	0.1	0.1	1.0
Net Loss of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$ (179.1)	$ (28.0)	$ (460.4)

The accompanying notes are an integral part of these combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	For the Years Ended December 31,		
	2020	2019	2018
Net Loss	$ (179.0)	$ (27.9)	$ (459.4)
Other Comprehensive Income (Loss):			
Foreign currency cumulative translation adjustments, net of tax	44.8	(9.5)	(65.1)
Total Other Comprehensive Income (Loss)	44.8	(9.5)	(65.1)
Comprehensive Loss	(134.2)	(37.4)	(524.5)
Comprehensive Income Attributable to Noncontrolling Interest	0.1	0.1	1.0
Comprehensive Loss Attributable to the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$ (134.3)	$ (37.5)	$ (525.5)

The accompanying notes are an integral part of these combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
COMBINED BALANCE SHEETS
(in millions)

	As of December 31, 2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 27.4	$ 37.0
Accounts receivable, less allowance for credit losses	193.7	188.9
Inventories	283.0	270.7
Prepaid expenses and other current assets	21.9	20.9
Total Current Assets	526.0	517.5
Property, plant and equipment, net	183.4	203.5
Goodwill	273.7	398.9
Intangible assets, net	891.0	917.4
Other assets	75.1	73.1
Total Assets	$1,949.2	$2,110.4
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	$ 49.7	$ 50.3
Income taxes payable	6.6	5.8
Other current liabilities	152.3	141.7
Current portion of debt due to parent	17.6	—
Total Current Liabilities	226.2	197.8
Deferred income taxes, net	155.2	159.1
Lease liability	52.7	56.4
Other long-term liabilities	19.7	12.2
Non-current portion of debt due to parent	4.9	16.8
Total Liabilities	458.7	442.3
Commitments and Contingencies (Note 18)		
Equity:		
Net parent company investment	1,486.0	1,707.5
Accumulated other comprehensive income (loss)	4.5	(40.3)
Total equity of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	1,490.5	1,667.2
Noncontrolling interest	—	0.9
Total Equity	1,490.5	1,668.1
Total Liabilities and Equity	$1,949.2	$2,110.4

The accompanying notes are an integral part of these combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
COMBINED STATEMENTS OF CHANGES IN NET PARENT INVESTMENT
(in millions)

	Net Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
Balance January 1, 2018	$ 2,273.9	$ 34.3	$ (0.2)	$2,308.0
Net loss	(460.4)	—	1.0	(459.4)
Net transactions with Zimmer Biomet	(49.1)	—	—	(49.1)
Other comprehensive loss	—	(65.1)	—	(65.1)
Balance December 31, 2018	1,764.4	(30.8)	0.8	1,734.4
Net loss	(28.0)	—	0.1	(27.9)
Net transactions with Zimmer Biomet	(28.9)	—	—	(28.9)
Other comprehensive loss	—	(9.5)	—	(9.5)
Balance December 31, 2019	1,707.5	(40.3)	0.9	1,668.1
Net loss	(179.1)	—	0.1	(179.0)
Adoption of new accounting standard	(1.0)	—	—	(1.0)
Net transactions with Zimmer Biomet	(41.4)	—	—	(41.4)
Acquisition of noncontrolling interests	—	—	(1.0)	(1.0)
Other comprehensive income	—	44.8	—	44.8
Balance December 31, 2020	$ 1,486.0	$ 4.5	$ —	$1,490.5

The accompanying notes are an integral part of these combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
COMBINED STATEMENTS OF CASH FLOWS
(in millions)

	For the Years Ended December 31,		
	2020	2019	2018
Cash flows provided by (used in) operating activities:			
Net loss	$ (179.0)	$ (27.9)	$ (459.4)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	134.3	135.1	147.7
Goodwill impairment	142.0	—	411.7
Share-based compensation	5.9	7.1	5.6
Deferred income tax provision	(22.8)	(18.6)	(28.0)
Changes in operating assets and liabilities, net of acquired assets and liabilities			
Income taxes	0.9	(4.0)	(1.3)
Receivables	(1.1)	9.8	32.9
Inventories	(6.1)	(0.5)	35.1
Accounts payable and accrued liabilities	(3.0)	(0.5)	0.7
Other assets and liabilities	14.9	18.7	17.0
Net cash provided by operating activities	86.0	119.2	162.0
Cash flows used in investing activities:			
Additions to instruments	(32.7)	(44.3)	(41.4)
Additions to other property, plant and equipment	(5.6)	(8.7)	(6.9)
Business combination investments, net of acquired cash	(8.4)	(27.6)	—
Other investing activities	(2.8)	(4.0)	(2.0)
Net cash used in investing activities	(49.5)	(84.6)	(50.3)
Cash flows provided by (used in) financing activities:			
Net transactions with Zimmer Biomet	(43.8)	(41.4)	(61.5)
Net cash flows from unremitted collections from factoring programs	(1.6)	(2.3)	2.8
Proceeds from debt due to parent	—	—	1.1
Repayments of debt due to parent	(0.7)	—	(39.7)
Other financing activities	(0.4)	—	—
Net cash used in financing activities	(46.5)	(43.7)	(97.3)
Effect of exchange rates on cash and cash equivalents	0.4	(0.2)	(1.3)
(Decrease) increase in cash and cash equivalents	(9.6)	(9.3)	13.1
Cash and cash equivalents, beginning of year	37.0	46.3	33.2
Cash and cash equivalents, end of period	$ 27.4	$ 37.0	$ 46.3

The accompanying notes are an integral part of these combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS

1. Background, Nature of Business and Basis of Presentation

Background

On February 5, 2021, Zimmer Biomet Holdings Inc. ("Zimmer Biomet" or the "Parent") announced its intention to spin off its spine and dental businesses from its core orthopedic businesses. Zimmer Biomet intends to effect the separation through a *pro rata* distribution of approximately 80.3 percent of the outstanding shares of common stock of a new entity, ZimVie Inc. ("ZimVie"). References to "ZimVie", the "Company," "we," "us" and "our" and other similar terms throughout the combined financial statements refer to the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc. Following the distribution, Zimmer Biomet stockholders will directly own approximately 80.3 percent of the outstanding shares of ZimVie common stock, and ZimVie will be a separate public company from Zimmer Biomet. The separation will provide Zimmer Biomet stockholders with equity ownership in both Zimmer Biomet and ZimVie. The separation is intended to qualify as generally tax-free to Zimmer Biomet stockholders for U.S. federal income tax purposes, except for any cash received by stockholders in lieu of fractional shares.

We expect the transaction to be completed during our first quarter of fiscal year 2022, subject to the satisfaction of certain conditions including, among others, final approval of Zimmer Biomet's Board of Directors, receipt of a favorable opinion and Internal Revenue Service ruling with respect to the tax-free nature of the transaction, and the effectiveness of a Form 10 registration statement that will be filed with the U.S. Securities and Exchange Commission ("SEC"). There can be no assurance regarding the ultimate timing of the proposed transaction or that the transaction will be completed.

Nature of Business

Our operations are principally managed on a products basis and include two operating segments, 1) the spine products segment, and 2) the dental products segment.

In the spine products market, our core services include designing, manufacturing and distributing medical devices and surgical instruments to deliver comprehensive solutions for individuals with back or neck pain caused by degenerative conditions, deformities or traumatic injury of the spine. We also provide devices that promote bone healing. Other differentiated products in our spine portfolio include Mobi-C® Cervical Disc and The Tether™.

In the dental products market, our core services include designing, manufacturing and/or distributing dental implant solutions. Dental reconstructive implants are for individuals who are totally without teeth or are missing one or more teeth, dental prosthetic products are aimed at providing a more natural restoration to resemble the original teeth and dental regenerative products are for soft tissue and bone rehabilitation. Our key products include the T3® Implant, Tapered Screw-Vent Implant System, Trabecular Metal™ Dental Implant, BellaTek Encode Impression System and Puros Allograft Particulate.

Basis of Presentation

We have historically existed and functioned as part of the consolidated business of Zimmer Biomet. The accompanying combined financial statements are prepared on a standalone basis and are derived from Zimmer Biomet's consolidated financial statements and accounting records.

The carve-out financial statements and accounting records present the combined balance sheets as of December 31, 2020 and 2019 and the combined statements of earnings, combined statements of comprehensive income (loss), and combined statements of changes in net parent investment for the years ended December 31, 2020, 2019, and 2018.

The combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The combined statements of earnings include all revenues and costs directly attributable to our business, including costs for facilities, functions, and services we utilize. The combined statements of earnings also include an allocation of expenses related to certain Zimmer Biomet commercial and corporate functions, including distribution, quality, regulatory, information technology, finance, executive, human resources and legal. These expenses have been allocated based on direct usage or benefit where specifically identifiable, with the remainder allocated on a proportional cost allocation method based primarily on net sales, as applicable. Management considers the expense methodology and resulting allocation to be reasonable for all periods presented; however, the allocations may not be indicative of actual expense that would have been incurred had we operated as an independent, publicly traded company for the periods presented. Actual costs that we may have incurred had we been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by our employees, and strategic decisions made in areas such as manufacturing, selling and marketing, research and development, information technology and infrastructure.

The income tax amounts in the combined financial statements have been calculated on a separate return method and presented as if our operations were separate taxpayers in the respective jurisdictions.

Following the spin-off, certain functions that Zimmer Biomet provided to us prior to the spin-off will either continue to be provided to us by Zimmer Biomet under a transition services agreement and a transition manufacturing agreement or will be performed using our own resources or third-party service providers. Additionally, under manufacturing and supply agreements, we will manufacture certain products for Zimmer Biomet and Zimmer Biomet will manufacture certain products for us. We expect to incur certain costs to establish ourselves as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company.

The combined balance sheets include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to us, including certain assets that were historically held at the corporate level in Zimmer Biomet. All intercompany accounts and transactions within the Company have been eliminated. All transactions between us and Zimmer Biomet previously resulting in intercompany balances are considered to be effectively settled in the combined financial statements at the time the transaction is recorded. The total net effect of the settlement of these transactions is reflected in the combined statement of cash flows as a financing activity and in the combined balance sheets as net parent company investment. See Note 19 for additional information on related party transactions with Zimmer Biomet.

Zimmer Biomet maintains various employee benefits plans in which the Company's employees participate, and a portion of the costs associated with these plans has been included in the Company's combined financial statements. The combined balance sheets do not include assets and liabilities relating to these plans because the Parent is the plan sponsor.

Our equity balance in these combined financial statements represents the excess of total assets over liabilities including the due to/from balances between us and Zimmer Biomet (net parent company investment) and accumulated other comprehensive income (loss) ("AOCI"). Net parent company investment is primarily impacted by contributions from Zimmer Biomet which are the result of treasury activities and net funding provided by or distributed to Zimmer Biomet. Our AOCI as of January 1, 2018 is based on the currency translation historically recorded on our specific assets and liabilities. Foreign currency translation recorded during the years ended December 31, 2020, 2019 and 2018 is based on currency movements specific to our combined financial statements.

Zimmer Biomet utilizes a central approach to treasury management and we historically participated in related cash pooling arrangements. Our cash and cash equivalents on the combined balance sheets represent cash balances from standalone entities who did not participate in such arrangements. We have no third-party

borrowings. All borrowings by us due to Zimmer Biomet attributable to our business are recorded as “debt due to parent” in the combined balance sheets and classified as current or noncurrent based on loan maturity dates. Zimmer Biomet’s third-party debt and related interest expense have not been attributed to us because we are not the legal obligor of the debt and the borrowings are not specifically identifiable to us. However, in connection with the spin-off, we expect to incur indebtedness and such indebtedness would result in additional interest expense in future periods.

Change in Reporting Entity

In October 2021, it was determined that a subsidiary that was previously part of the operations of the Parent will be distributed to ZimVie as part of the spin-off. This has resulted in a change in our basis of presentation resulting in a change in reporting entity. These combined financial statements reflect this change in reporting entity retrospectively in all periods presented. The change in reporting entity resulted in additional operating profit, net income and comprehensive income on our combined statement of earnings and combined statement of comprehensive earnings (loss) by the following amounts:

	For the Years Ended December 31,		
	2020	2019	2018
Operating Income	$2.8	$5.8	$8.7
Net Income of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	1.2	3.8	6.0
Comprehensive Income Attributable to the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	1.2	3.8	6.0

In previously issued combined financial statements for the years ended December 31, 2020, 2019 and 2018, the impact of this change in reporting entity on our related party net sales was not reflected appropriately in Note 16 in the reconciliation of segment net sales to total net sales. We revised related party net sales for years ended 2020, 2019, and 2018 in Note 16 of these combined financial statements for this immaterial error. The previously reported related party net sales reported in Note 16 were $7.9 million, $20.1 million and $29.1 million for the years ended December 31, 2020, 2019 and 2018, respectively, and have been updated to $15.5 million, $33.9 million and $54.2 million, respectively. Other than the revision to related party net sales in Note 16, there were no other changes to these previously issued combined financial statements.

2. Significant Accounting Policies

Use of Estimates - The combined financial statements are prepared in conformity with accounting principles generally accepted under GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, including allocations from Zimmer Biomet. We have made our best estimates, as appropriate under GAAP, in the recognition of our assets and liabilities. These estimates have considered the impact the COVID-19 pandemic may have on our financial position, results of operations and cash flows. Such estimates included, but were not limited to, determining the allocations of costs and expenses from Zimmer Biomet, variable consideration to our customers, our allowance for doubtful accounts for expected credit losses, the net realizable value of our inventory, the fair value of our goodwill and the recoverability of other long-lived assets. The estimates and associated assumptions are based on historical experience, complex judgements and various other factors that are believed to be reasonable under the circumstances. Actual results could differ materially from these estimates.

Foreign Currency Translation - The financial statements of our foreign subsidiaries are translated into U.S. Dollars using period-end exchange rates for assets and liabilities and average exchange rates for operating results. Unrealized translation gains and losses are included in AOCI in equity. When a transaction is denominated in a currency other than the subsidiary’s functional currency, we remeasure the transaction into the functional currency and recognize any transactional gains or losses in earnings. Foreign currency remeasurement gains recognized in our combined statements of earnings in nonoperating other income (expense), net were

$1.6 million and $0.2 million in the years ended December 31, 2020 and 2019, respectively, while a loss of $1.2 million was recognized in the year ended December 31, 2018.

Shipping and Handling - Amounts billed to customers for shipping and handling of products are reflected in net sales and are not significant. Expenses incurred related to shipping and handling of products are reflected in selling, general and administrative ("SG&A") expenses and were $37.0 million, $38.5 million and $41.8 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Research and Development - We expense all research and development ("R&D") costs as incurred except when there is an alternative future use for the R&D. R&D costs include salaries, prototypes, depreciation of equipment used in R&D, consultant fees and service fees paid to collaborative partners.

Litigation - We record a liability for contingent losses, including future legal costs, settlements and judgments, when we consider it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

Restructuring - A restructuring is defined as a program that is planned and controlled by management, and materially changes either the scope of a business undertaken by an entity, or the manner in which that business is conducted. Restructuring charges include (i) employee termination benefits, (ii) contract termination costs and (iii) other related costs associated with exit or disposal activities.

In December 2019, the Board of Directors of Zimmer Biomet approved, and Zimmer Biomet initiated, a new global restructuring program with an objective of reducing costs to allow for further investment in higher priority growth opportunities. Restructuring charges for the years ended December 31, 2020 and 2019 for the Company were primarily attributable to this program. There were no restructuring charges for the year ended December 31, 2018.

Acquisition, integration, divestiture and related - We use the financial statement line item, "Acquisition, integration, divestiture and related" to recognize expenses resulting from the consummation of business mergers and acquisitions and the related integration of those businesses. Integration-related expenses reported in the combined statements of earnings were primarily incurred in 2018 related to acquisitions that occurred in 2015 and 2016. The expenses recognized primarily relate to integration-related consulting, distributor terminations, severance and retention period compensation and benefits to employees that were terminated.

We have also incurred other various, less significant costs on projects that are similar to integration and restructurings focusing on reducing costs that have been recognized in this financial statement line item as well.

Cash and Cash Equivalents - We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying amounts reported in the balance sheet for cash and cash equivalents are valued at cost, which approximates their fair value. The cash presented on the balance sheet represents cash not subject to the Zimmer Biomet centralized cash management process.

Accounts Receivable -Accounts receivable consists of trade and other miscellaneous receivables. We grant credit to customers in the normal course of business and maintain an allowance for expected credit losses. We determine the allowance for credit losses by geographic market and take into consideration historical credit experience, creditworthiness of the customer and other pertinent information. We make concerted efforts to collect all accounts receivable, but sometimes we have to write-off the account against the allowance when we determine the account is uncollectible. The allowance for credit losses was $18.9 million and $19.6 million as of December 31, 2020 and 2019, respectively.

Zimmer Biomet has receivables purchase arrangements with unrelated third parties to transfer portions of our trade accounts receivable balance. Our spine business has historically participated in these arrangements. The purchase arrangements in the United States and Japan were terminated during the year ended December 31, 2020, but the arrangements have continued in Europe. Funds received from the transfers are recorded as an

increase to cash and a reduction to accounts receivable outstanding in our combined balance sheets. The cash flows attributable to the sale of receivables to third parties are reported in cash flows from operating activities in our combined statements of cash flows. Net expenses resulting from the sales of receivables are recognized in SG&A expense. Net expenses include any resulting gains or losses from the sales of receivables, credit insurance and factoring fees. Under the previous arrangement in the United States and Japan, any collections that we made that were unremitted to the third parties were recognized on our combined balance sheets under other current liabilities and in our combined statements of cash flows in financing activities. In Europe, we have no continuing involvement with the factored receivable.

Inventories - Inventories are stated at the lower of cost and net realizable value, with cost determined on a first-in first-out basis or on an average cost basis depending on the jurisdiction.

Property, Plant and Equipment - Property, plant and equipment is carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on estimated useful lives of ten to forty years for buildings and improvements and three to eight years for machinery and equipment. Maintenance and repairs are expensed as incurred. We review property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable. An impairment loss would be recognized when estimated future undiscounted cash flows relating to the asset are less than its carrying amount. An impairment loss is measured as the amount by which the carrying amount of an asset exceeds its fair value.

Software Costs - We capitalize certain computer software and software development costs incurred in connection with developing or obtaining computer software for internal use when both the preliminary project stage is completed and it is probable that the software will be used as intended. Capitalized software costs generally include external direct costs of materials and services utilized in developing or obtaining computer software and compensation and related benefits for employees who are directly associated with the software project. Capitalized software costs are included in property, plant and equipment on our balance sheet and amortized on a straight-line or weighted average estimated user basis when the software is ready for its intended use over the estimated useful lives of the software, which approximate three to fifteen years.

For cloud computing arrangements that are considered a service contract, our capitalization of implementation costs is aligned with the internal use software requirements. However, on our combined balance sheet these implementation costs are recognized in other noncurrent assets. On our combined statement of cash flows, these implementations costs are recognized in operating cash flows. The implementation costs are recognized on a straight-line basis over the expected term of the related service contract.

Instruments - Instruments are hand-held devices used by surgeons during surgical procedures. Instruments are recognized as long-lived assets and are included in property, plant and equipment. Undeployed instruments are carried at cost or realizable value. Instruments that have been deployed to be used in surgeries are carried at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on average estimated useful lives, determined principally in reference to associated product life cycles, primarily five years. We review instruments for impairment whenever events or changes in circumstances indicate that the carrying value of an instrument may not be recoverable. Depreciation of instruments is recognized as SG&A expense.

Goodwill - Goodwill is not amortized but is subject to annual impairment tests. Goodwill has been assigned to reporting units. We perform annual impairment tests by comparing a reporting unit’s estimated fair value to its carrying amount. The fair value of the reporting unit is determined based upon a discounted cash flow analysis and/or use of a market approach by looking at market values of comparable companies. Significant assumptions are incorporated into our discounted cash flow analyses such as revenue growth rates, gross margins, operating margins, and risk-adjusted discount rates. We perform this test in the fourth quarter of the year or whenever events or changes in circumstances indicate that the carrying value of the reporting unit’s assets may not be recoverable. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded in

the amount that the carrying value of the business unit exceeds the fair value. See Note 11 for more information regarding goodwill.

Intangible Assets - Intangible assets are initially measured at their fair value. We have determined the fair value of our intangible assets either by the fair value of the consideration exchanged for the intangible asset or the estimated after-tax discounted cash flows expected to be generated from the intangible asset. Intangible assets with a finite life, including technology, certain trademarks and trade names, customer-related intangibles, intellectual property rights and patents and licenses, are amortized on a straight-line basis over their estimated useful life or contractual life, which may range from less than one year to twenty years. Intangible assets with a finite life are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

In determining the useful lives of intangible assets, we consider the expected use of the assets and the effects of obsolescence, demand, competition, anticipated technological advances, changes in surgical techniques, market influences and other economic factors. For technology-based intangible assets, we consider the expected life cycles of products, absent unforeseen technological advances, which incorporate the corresponding technology. Trademarks and trade names that are related to products expected to be phased out are assigned lives consistent with the period in which the products bearing each brand are expected to be sold. For customer relationship intangible assets, we assign useful lives based upon historical levels of customer attrition. Intellectual property rights are assigned useful lives that approximate the contractual life of any related patent or the period for which we maintain exclusivity over the intellectual property.

Income Taxes - The Company has been included in the consolidated U.S. federal, foreign, and certain state income tax returns of Zimmer Biomet, where applicable. The tax provision and current and deferred tax balances have been prepared on a separate-return basis as if the Company were a separate filer.

Deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period the new tax rate is enacted.

As a result of applying the separate filer approach, actual tax transactions included in the consolidated financial statements of Zimmer Biomet may not be included in the combined financial statements. Similarly, the tax treatment of certain items reflected in the combined financial statements may not be reflected in the consolidated financial statements and tax returns of Zimmer Biomet. Therefore, portions of items such as net operating losses (“NOLs”), credit carryforwards, other deferred taxes, and valuation allowances may exist in the combined financial statements that may or may not exist in Zimmer Biomet’s consolidated financial statements and vice versa. In addition, although deferred tax assets have been recognized for NOLs and tax credits in accordance with the separate return method, certain NOLs and credits will not carry over with the Company in connection with the Distribution. The income taxes of the Company as presented in the Combined Financial Statements may not be indicative of the income taxes that the Company will incur in the future. Income taxes due to or due from the Parent are assumed to have been settled or recovered by the end of the period. Any differences between actual amounts paid or received by the Company have been reflected in net parent company investment.

We reduce our deferred tax assets by a valuation allowance if it is more likely than not that we will not realize some portion or all of the deferred tax assets. In making such determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. In the event we were to determine that we would be able to realize our deferred income tax assets in the future in excess of their net recorded amount, we would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

We operate on a global basis and are subject to numerous and complex tax laws and regulations. Our income tax filings are regularly under audit in multiple federal, state and foreign jurisdictions. Income tax audits may require

an extended period of time to reach resolution and may result in significant income tax adjustments when interpretation of tax laws or allocation of company profits is disputed. Because income tax adjustments in certain jurisdictions can be significant, we record accruals representing management's best estimate of the probable resolution of these matters. To the extent additional information becomes available, such accruals are adjusted to reflect the revised estimated probable outcome. We record Global Intangible Low-Taxed Income ("GILTI") tax as a period cost. We report tax-related interest and penalties as a component of income tax expense.

Derivative Financial Instruments - Zimmer Biomet is exposed to certain market risks relating to its ongoing business operations, including foreign currency exchange rate risk, commodity price risk, interest rate risk and credit risk. Zimmer Biomet uses derivative instruments to manage its interest rate risk and foreign currency exchange rate risk. We participate in Zimmer Biomet's cash flow hedging program that is intended to minimize the effects of foreign currency exchange rate movements on cash flows. Our revenues are generated in various currencies throughout the world. However, a significant amount of our inventory is produced in U.S. Dollars. Therefore, movements in foreign currency exchange rates may have different proportional effects on our revenues compared to our cost of products sold. To minimize the effects of foreign currency exchange rate movements, Zimmer Biomet hedges intercompany sales of inventory expected to occur within the next 30 months with foreign currency exchange forward contracts. Zimmer Biomet centralizes its foreign currency exchange rate exposures across its businesses and enters into the forward contracts at the Parent. Due to this centralization and the Parent being the legal obligor of the foreign currency exchange forward contracts, no amounts have been recorded by us on the combined balance sheet. The combined statements of earnings include the impact of Zimmer Biomet's cash flow hedges that are deemed to be associated with our operations and have been allocated utilizing a proportional allocation method based on costs of goods sold. The amounts allocated to us recognized in cost of products sold, excluding intangible asset amortization, were gains of $2.0 million and $1.7 million in the years ended December 31, 2020 and 2019, respectively, and losses of $2.3 million in the year ended December 31, 2018.

Accumulated Other Comprehensive Income (Loss) - AOCI refers to gains and losses that under GAAP are included in comprehensive income but are excluded from net earnings as these amounts are recorded directly as an adjustment to equity. Our AOCI is comprised of foreign currency translation adjustments. There are no reclassifications from AOCI to net earnings for the periods presented herein. Further, there are no tax effects related to AOCI for the periods presented.

Noncontrolling Interest - We had an investment in a company in which we had a controlling financial interest, but not 100 percent of the equity. In the year ended December 31, 2020, we acquired the remaining equity from the minority shareholder. The acquisition of the remaining equity interest was recognized as an equity transaction. Further information related to the noncontrolling interest of this investment has not been provided as it is not significant to our combined financial statements.

Net Investment from Parent - Net investment from Parent in the combined balance sheets represents Zimmer Biomet's historical investment in the Company, the accumulated net earnings after taxes and the net effect of the transactions with and allocations from Zimmer Biomet.

Accounting Pronouncements Recently Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2016-13, Financial Instruments – Credit Losses (Topic 326). The new guidance describes the current expected credit loss ("CECL") model which requires an estimate of expected impairment on financial instruments over the lifetime of the assets at each reporting date. Financial instruments in scope of the guidance include financial assets measured at amortized cost. Previous accounting guidance required recognition of impairment when it was probable the loss has been incurred. Under the CECL model, lifetime expected credit losses are measured and recognized at each reporting date based on historical experience, current conditions and forecasted information. We adopted this standard as of January 1, 2020. Adoption of this standard required the modified retrospective transition method, which resulted in a cumulative-effect adjustment to net parent investment of $1.0 million. The

adoption primarily impacted our trade receivables. Our concentrations of credit risks are limited due to the large number of customers and their dispersion across a number of geographic areas. Substantially all of our trade receivables are concentrated in the public and private hospital and healthcare industry in the U.S. and internationally or with distributors or dealers who operate in international markets. Our historical credit losses have not been significant due to this dispersion and the financial stability of our customers. We consider credit losses immaterial to our business and, therefore, have not provided all the disclosures otherwise required by the standard.

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software. ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. Our policy for capitalizing implementation costs in a hosting arrangement was already aligned with the new guidance. ASU 2018-15 also provides guidance on how these implementation costs are to be recorded in the statement of earnings, balance sheet and statement of cash flows. We adopted this standard on a prospective basis as of January 1, 2020. The adoption of this standard did not have a material impact on our financial position, results of operations or cash flows.

Accounting Pronouncements Not Yet Adopted

In December 2019, the FASB issued ASU 2019-12 Simplifying the Accounting for Income Taxes. ASU 2019-12 eliminates certain exceptions in the current rules regarding the approach for intraperiod tax allocations and the methodology for calculating income taxes in an interim period, and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill, among other things. The standard becomes effective for us as of January 1, 2021. The adoption of this standard will not have a material impact on our financial position, results of operations, or cash flows.

There are no recently issued accounting pronouncements that we have not yet adopted that are expected to have a material effect on our financial position, results of operations or cash flows.

3. Revenue Recognition

We recognize revenue when our performance obligations under the terms of a contract with our customer are satisfied. This happens when we transfer control of our products to the customer, which generally occurs upon implantation or when title passes upon shipment. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring our product. Taxes collected from customers and remitted to governmental authorities are excluded from revenues.

We sell products through three principal channels: 1) direct to healthcare institutions, referred to as direct channel accounts; 2) through stocking distributors and healthcare dealers; and 3) directly to dental practices and dental laboratories. In direct channel accounts and with some healthcare dealers, inventory is generally consigned to sales agents or customers so that products are available when needed for surgical procedures. No revenue is recognized upon the placement of inventory into consignment, as we retain the ability to control the inventory. Upon implantation, we issue an invoice and revenue is recognized. Our spine sales are predominantly recognized under the consignment revenue model. Pricing for products is generally predetermined by contracts with customers, agents acting on behalf of customer groups or by government regulatory bodies, depending on the market. Price discounts under group purchasing contracts are generally linked to volume of implant purchases by customer healthcare institutions within a specified group. At negotiated thresholds within a contract buying period, price discounts may increase. Payment terms vary by customer, but are typically less than 90 days.

With sales to stocking distributors, some healthcare dealers and hospitals, dental practices and dental laboratories, revenue is generally recognized when control of our product passes to the customer, which is typically upon shipment of the product. Our dental business predominantly recognizes revenue related to product sales at a point in time following the transfer of control of such products to the customer, which generally occurs

upon shipment, or delivery depending on the terms of the underlying contracts. These customers may purchase items in large quantities if incentives are offered or if there are new product offerings in a market, which could cause period-to-period differences in sales. It is our accounting policy to account for shipping and handling activities as a fulfillment cost rather than as an additional promised service. We have contracts with these customers or orders may be placed from available price lists. Payment terms vary by customer, but are typically less than 90 days.

We offer standard warranties to our customers that our products are not defective. These standard warranties are not considered separate performance obligations. In limited circumstances, we offer extended warranties that are separate performance obligations. We have very few contracts that have multiple performance obligations. Since we do not have significant multiple element arrangements and essentially all of our sales are recognized upon implantation of a product or when title passes, very little judgment is required to allocate the transaction price of a contract or determine when control has passed to a customer. Our costs to obtain contracts consist primarily of sales commissions to employees or third party agents that are earned when control of our product passes to the customer. Therefore, sales commissions are expensed as part of SG&A expenses at the same time revenue is recognized. Accordingly, we do not have significant contract assets, liabilities or future performance obligations.

We offer volume-based discounts, rebates, prompt pay discounts, right of return and other various incentives which we account for under the variable consideration model. If sales incentives may be earned by a customer for purchasing a specified amount of our product, we estimate whether such incentives will be achieved and recognize these incentives as a reduction in revenue in the same period the underlying revenue transaction is recognized. We primarily use the expected value method to estimate incentives. Under the expected value method, we consider the historical experience of similar programs as well as review sales trends on a customer-by-customer basis to estimate what levels of incentives will be earned. Occasionally, products are returned and, accordingly, we maintain an estimated refund liability based upon the expected value method that is recorded as a reduction in revenue.

We analyze sales by two product categories, spine and dental. We have also recognized related party sales in the combined financial statements on orthopedic products that will remain with Zimmer Biomet. We expect to continue selling Zimmer Biomet these products under a manufacturing services agreement for a period of time after the spin off.

Net sales by product category are as follows (in millions):

	For the Years Ended December 31,		
	2020	2019	2018
Spine	$ 529.1	$ 607.6	$ 633.7
Dental	367.8	414.0	411.2
Related Party	15.5	33.9	54.2
Total	$ 912.4	$1,055.5	$1,099.1

4. Restructuring

In December 2019, Zimmer Biomet's Board of Directors approved, and initiated, a global restructuring program (the "2019 Restructuring Plan") with an objective of reducing costs to allow further investment in higher priority growth opportunities. The pre-tax restructuring charges consisted of employee termination benefits; contract terminations for facilities and sales agents; and other charges, such as retention period salaries and benefits and relocation costs. The restructuring charges incurred in the year ended December 31, 2020 primarily related to employee termination benefits, contract terminations and retention period compensation and benefits. The restructuring charges incurred in the year ended December 31, 2019 primarily related to employee termination benefits and retention period compensation and benefits. The following table summarizes the liabilities directly attributable to us that were recognized under the 2019 Restructuring Plan (in millions):

	Employee Termination Benefits	Other	Total
Balance, December 31, 2018	$ —	$ —	$ —
Additions	0.9	0.9	1.8
Cash payments	—	(0.9)	(0.9)
Balance, December 31, 2019	0.9	—	0.9
Additions	5.7	4.0	9.7
Cash payments	(4.6)	(4.0)	(8.6)
Balance, December 31, 2020	$ 2.0	$ —	$ 2.0

There were no restructuring charges for 2018. We do not include restructuring charges in the operating profit of our reportable segments.

5. Share-Based Compensation

Zimmer Biomet has share-based compensation plans under which it grants stock options and restricted stock units. In our combined statements of earnings, we have specifically identified employees that were associated with our historical operations that are expected to be transferred in the spin-off and calculated expense based upon the awards received under the Zimmer Biomet plans. Additionally, expense related to corporate or shared employees have been allocated to us on a proportional cost allocation method, primarily based on revenue. As the share-based compensation plans are Zimmer Biomet's plans, the amounts have been recognized through net parent company investments on the combined balance sheets. Share-based compensation expense for specifically identified employees that were associated with our historical operations was as follows (in millions):

	For the Years Ended December 31,		
	2020	2019	2018
Total expense, pre-tax	$ 5.9	$ 7.1	$ 5.6
Tax benefit related to awards	1.3	2.1	1.6
Total expense, net of tax	$ 4.6	$ 5.0	$ 4.0

The amounts presented are not necessarily indicative of future awards and do not necessarily reflect the costs we would have incurred as an independent company for the periods presented.

6. Inventories

Inventories consisted of the following (in millions):

	As of December 31,	
	2020	2019
Finished goods	$247.8	$226.7
Work in progress	24.2	30.9
Raw materials	11.0	13.1
Inventories	$283.0	$270.7

Amounts charged to the combined statements of earnings for excess and obsolete inventory, including certain product lines we intend to discontinue, in the years ended December 31, 2020, 2019 and 2018 were $30.8 million, $30.6 million and $61.4 million, respectively.

7. Property, Plant and Equipment

Property, plant and equipment consisted of the following (in millions):

	As of December 31,	
	2020	2019
Land	$ 7.2	$ 7.2
Building and equipment	224.3	220.1
Capitalized software costs	30.1	29.3
Instruments	324.3	324.4
Construction in progress	3.5	3.8
	589.4	584.8
Accumulated depreciation	(406.0)	(381.3)
Property, plant and equipment, net	$ 183.4	$ 203.5

Depreciation expense was $48.8 million, $51.7 million and $52.4 million for the years ended December 31, 2020, 2019 and 2018, respectively.

We had $2.4 million, $4.2 million and $5.7 million of property, plant and equipment included in accounts payable as of December 31, 2020, 2019 and 2018, respectively.

8. Transfers of Financial Assets

Zimmer Biomet had receivables purchase arrangements with unrelated third parties to liquidate portions of trade accounts receivable balance including receivables related to our spine business. The receivables related to products sold to customers and were short-term in nature. The factorings were treated as sales of the accounts receivable. Proceeds from the transfers reflect either the face value of the accounts receivable or the face value less factoring fees.

The Parent terminated the programs in the U.S. and Japan in the fourth quarter of 2020. The programs were executed on a revolving basis with a maximum funding limit for Zimmer Biomet of $450 million combined before termination. The Parent acted as the collection agent on behalf of the third party, but had no significant retained interests or servicing liabilities related to the accounts receivable sold. As of December 31, 2020, all factored receivables related to our spine business had been collected and remitted in conjunction with the termination of those programs in 2020.

In Europe, the Parent sold to a third party and there was no continuing involvement or significant risk with the factored accounts receivable.

Funds received from the transfers are recorded as an increase to cash and a reduction of accounts receivable outstanding in the combined balance sheets. We report the cash flows attributable to the sale of the receivables to third parties in cash flows from operating activities in our combined statements of cash flows. Net expenses resulting from the sales of receivables are recognized in SG&A expense. Net expenses included any resulting gains or losses from the sales of receivables, credit insurance and factoring fees.

For the years ended December 31, 2020, 2019 and 2018, receivables related to our spine business were sold having an aggregate face value of $53.8 million, $126.4 million and $121.5 million to third parties in exchange for cash proceeds of $53.7 million, $126.3 million and $121.4 million, respectively. Expenses recognized on these sales during the years ended December 31, 2020, 2019 and 2018 were not significant. For the years ended December 31, 2020, 2019 and 2018 under the U.S. and Japan programs, receivables related to our spine business of $50.1 million, $107.8 million and $86.1 million, respectively, were collected from our customers and these amounts were remitted to the third party, and we effectively repurchased $7.0 million, $18.6 million and $14.9 million, respectively, of our previously sold accounts receivable due to the programs' revolving nature. At December 31, 2019, $1.4 million of our receivables had been collected and were unremitted to the third party, which are reflected in our combined balance sheets under other current liabilities. We had no unremitted amounts at December 31, 2020. The initial collection of cash from customers and its remittance to the third party is reflected in net cash provided by/(used in) financing activities in our combined statements of cash flows.

At December 31, 2019, the outstanding principal amount of receivables related to our spine business that had been derecognized under the U.S. and Japan revolving arrangements combined amounted to $10.2 million. There were no outstanding receivables derecognized at December 31, 2020 due to the termination of those arrangements in 2020.

9. Fair Value Measurements of Assets and Liabilities

The following financial assets and liabilities are recorded at fair value on a recurring basis (in millions):

	As of December 31, 2020			
		Fair Value Measurements at Reporting Date Using:		
Description	Recorded Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Contingent payments related to acquisitions	10.0	—	—	10.0
Total Liabilities	$ 10.0	$ —	$ —	$ 10.0

	As of December 31, 2019			
		Fair Value Measurements at Reporting Date Using:		
Description	Recorded Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Contingent payments related to acquisitions	1.5	—	—	1.5
Total Liabilities	$ 1.5	$ —	$ —	$ 1.5

Contingent payments related to acquisitions consist of sales-based payments, and are valued using discounted cash flow techniques. The fair value of sales-based payments is based upon probability-weighted future revenue estimates, and increases as revenue estimates increase. See Note 10 for additional information regarding contingent payments related to acquisitions.

The following table provides a reconciliation of the beginning and ending balances of items measured at fair value on a recurring basis in the tables above that used significant unobservable inputs (Level 3) (in millions):

	Level 3 - Liabilities
Contingent payments related to acquisitions	
Beginning balance December 31, 2019	$ 1.5
New contingent payments related to the 3DIEMME acquisition	8.3
Foreign currency impact	0.2
Ending balance December 31, 2020	$ 10.0

Any future changes in estimates for contingent payments related to acquisitions will be recognized in “Acquisition, integration, divestiture and related” on our combined statements of earnings.

10. Acquisitions

In the fourth quarter of 2020, we acquired all of the issued and outstanding shares of 3DIEMME S.r.l. (“3DIEMME”), a dental treatment planning and dental CAD/CAM design software provider based in Italy. The 3DIEMME acquisition was completed primarily to expand treatment planning and design software offerings in our digital dentistry portfolio. In the fourth quarter of 2019, we acquired all of the issued and outstanding shares of Implant Concierge, LLC (“Implant Concierge”), a dental company that provides virtual implant planning, surgical guide design services and manufactures and sells surgical guides. The Implant Concierge acquisition was completed primarily to expand our offerings in our guided surgery and digital dentistry portfolio. In the third quarter of 2019, we acquired all of the issued and outstanding shares of Hakuho Company, Ltd. (“Hakuho”), a dental distributor primarily distributing Zimmer Biomet products based in Japan. The Hakuho acquisition was completed primarily to transition the distributor to a direct selling model in Japan.

The total cash consideration paid for these acquisitions was $48.5 million. Additionally, we assigned fair values of $9.8 million at the acquisition dates for potential payments that are contingent on future product sales. The estimated fair value of the aggregate contingent payment liabilities was calculated based on the probability of achieving the specified sales growth and discounting to present value the estimated payments.

We recognized goodwill of $25.4 million combined for these acquisitions. The goodwill related to the acquisitions represents the excess of the consideration transferred over the fair value of the net assets acquired. The goodwill related to the acquisitions is generated from the operational synergies and cross-selling opportunities we expect to achieve from the technologies acquired. None of the goodwill related to these acquisitions is deductible for tax purposes.

We have not included pro forma information and certain other information under GAAP for these acquisitions because they did not have a material impact on our financial position or results of operations individually or in the aggregate.

11. Goodwill and Other Intangible Assets

The reportable segments presented below are based on historical operating and reportable segments and do not reflect the change in reportable segments effective in the second quarter of 2021. The following table summarizes the changes in the carrying amount of goodwill by historical reportable segment (in millions):

	Spine less Asia Pacific	Dental	Total
Balance at January 1, 2019			
Goodwill	$ 1,089.4	$ 387.3	$ 1,476.7
Accumulated impairment losses	(1,089.4)	—	(1,089.4)
	—	387.3	387.3
Acquisitions	—	12.6	12.6
Currency translation	—	(1.0)	(1.0)
Balance at December 31, 2019			
Goodwill	1,089.4	398.9	1,488.3
Accumulated impairment losses	(1,089.4)	—	(1,089.4)
	—	398.9	398.9
Acquisitions	—	12.8	12.8
Currency translation	—	4.0	4.0
Impairment	—	(142.0)	(142.0)
Balance at December 31, 2020			
Goodwill	1,089.4	415.7	1,505.1
Accumulated impairment losses	(1,089.4)	(142.0)	(1,231.4)
	$ —	$ 273.7	$ 273.7

As discussed further in Note 10, we purchased 3DIEMME in 2020 and Implant Concierge and Hakuho in 2019, resulting in additional goodwill.

Our only reporting unit with goodwill remaining is our dental reporting unit. As of March 31, 2020, we tested our dental reporting unit for impairment due to the significant adverse effect the COVID-19 pandemic was expected to have on our operating results. This resulted in a goodwill impairment charge of $142.0 million.

The impairment charge of $142.0 million was primarily driven by the COVID-19 pandemic. The COVID-19 pandemic had a significant adverse effect on both the operational and non-operational assumptions used to estimate the fair value of our dental reporting unit. The significant decline in Zimmer Biomet's share price and that of most other publicly-traded companies resulted in us utilizing a higher risk-adjusted discount rate compared to the rate used in our previous annual goodwill impairment test to discount our future estimated cash flows to present value. On an operational basis, due to the deferral of elective surgical procedures, at the time of the March 31, 2020 impairment test, we estimated that our cash flows in 2020 would be significantly lower than previously estimated in our prior annual goodwill impairment test. We estimated the cash flows from our dental reporting unit might have a slower recovery than other healthcare segments because many dental procedures are not covered by insurance. Therefore, we estimated that economic uncertainty would likely result in patients deferring dental procedures for a longer period of time. As of December 31, 2020, $273.7 million of goodwill remained in the dental reporting unit.

We estimated the fair value of the dental reporting unit based on income and market approaches. Fair value under the income approach was determined by discounting to present value the estimated future cash flows of the reporting unit. Fair value under the market approach utilized the guideline public company methodology, which uses valuation indicators from publicly-traded companies that are similar to our dental reporting unit and considers differences between our reporting unit and the comparable companies.

In estimating the future cash flows of the reporting unit, we utilized a combination of market and company-specific inputs that a market participant would use in assessing the fair value of the reporting units. The primary market input was revenue growth rates. These rates were based upon historical trends and estimated future growth drivers such as an aging global population, innovative new product offerings and increased demand for cosmetic dentistry procedures. In the near term, the COVID-19 pandemic was expected to result in a decline to our revenue when compared to the same prior year periods. Significant company specific inputs included assumptions regarding how the reporting unit could leverage operating expenses as revenue grows and the impact any of our differentiated products or new products will have on revenues. The risk-adjusted discount rates we utilized use a combination of market and company-specific inputs. Market inputs included risk-free interest rates, equity risk and debt-to-equity values of similar companies, as well as other market inputs. Company-specific inputs considered how our specific reporting unit may differ from the market assumptions.

Under the guideline public company methodology, we took into consideration specific risk differences between our reporting unit and the comparable companies, such as recent financial performance, size risks and product portfolios, among other considerations.

We perform our annual test of goodwill impairment in the fourth quarter of every year. In connection with the 2020 annual goodwill impairment test in the fourth quarter of 2020, we estimated the fair value of our dental reporting unit using the income and market approaches. The estimated fair value of our reporting unit increased in the fourth quarter impairment test compared to the March 31, 2020 test due to the negative effects on discounted cash flows from the COVID-19 pandemic forecasted for second and third quarters of 2020 no longer being in the future cash flow estimates. As a result, the estimated fair value of our dental reporting unit exceeded its carrying value by more than 10 percent.

We will continue to monitor the fair value of our dental reporting unit in our interim and annual reporting periods. If our estimated cash flows decrease, we may have to record further impairment charges in the future. Factors that could result in our cash flows being lower than our current estimates include: 1) the COVID-19 pandemic causes elective surgical procedures to be deferred longer than our estimates, or additional recurrence of the virus causes additional deferrals of elective surgical procedures, 2) decreased revenues caused by unforeseen changes in the dental market, or our inability to generate new product revenue from our research and development activities, and 3) our inability to achieve the estimated operating margins in our forecasts due to unforeseen factors. Additionally, changes in the broader economic environment could cause changes to our estimated discount rates and comparable company valuation indicators, which may impact our estimated fair values.

During the year ended December 31, 2018, we recorded goodwill impairment charges related to our spine reporting units of $411.7 million.

The spine reporting units included goodwill from significant mergers in 2015 and 2016, as well as goodwill that existed prior to those mergers. The forecasts used to recognize the goodwill related to the 2015 and 2016 mergers assumed cross sale opportunities of the combined businesses would enable the reporting unit to grow faster than the overall spine market. The primary drivers of the impairments were lower than expected sales due to sales force integration issues and additional complexities of combining the spine product supply chains of the combined companies. As a result, in our forecasts we estimated it would take longer than originally anticipated to realize the benefits of the mergers. We estimated our spine sales were currently growing below overall market growth. Consequently, we lowered our expectations of future sales growth.

The fair value for the 2018 impairment charges were estimated using income and market approaches similar to the 2020 test for the dental reporting unit.

The components of identifiable intangible assets were as follows (in millions):

	Technology	Trademarks and Trade Names	Customer Relationships	Other	Total
As of December 31, 2020:					
Intangible assets subject to amortization:					
Gross carrying amount	$ 909.9	$ 149.9	$ 395.0	$ 55.2	$1,510.0
Accumulated amortization	(373.8)	(49.2)	(150.0)	(46.0)	(619.0)
Total identifiable intangible assets	$ 536.1	$ 100.7	$ 245.0	$ 9.2	$ 891.0
As of December 31, 2019:					
Intangible assets subject to amortization:					
Gross carrying amount	$ 867.8	$ 142.1	$ 377.6	$ 47.4	$1,434.9
Accumulated amortization	(316.7)	(38.1)	(119.4)	(43.3)	(517.5)
Total identifiable intangible assets	$ 551.1	$ 104.0	$ 258.2	$ 4.1	$ 917.4

As discussed further in Note 10, the Company purchased 3DIEMME in 2020 and Implant Concierge and Hakuho in 2019, resulting in additional intangible assets.

Estimated annual amortization expense based upon intangible assets recognized as of December 31, 2020 for the years ending December 31, 2021 through 2025 is (in millions):

For the Years Ending December 31,	
2021	$82.8
2022	82.8
2023	82.4
2024	81.3
2025	78.4

12. Other Current Liabilities

Other current liabilities consisted of the following (in millions):

	As of December 31, 2020	2019
Other current liabilities:		
License and service agreements	$ 42.6	$ 46.2
Salaries, wages and benefits	40.5	38.2
Lease liabilities	14.0	12.8
Accrued liabilities	55.2	44.5
Total other current liabilities	$152.3	$141.7

13. Debt Due to Parent

Zimmer Biomet utilizes a centralized approach to cash management and the financing of its operations. As part of the capitalization of various wholly-owned Zimmer Biomet subsidiaries, debt has been incurred between these subsidiaries. We have classified any borrowings by subsidiaries that will be our affiliate after the spin-off that are payable to subsidiaries that will remain with Zimmer Biomet as Debt Due to Parent. These balances are expected to be settled in cash. Debt Due to Parent consisted of the following (in millions):

	As of December 31, 2020	2019
Current portion of Debt Due to Parent	$ 17.6	$ —
Non-Current portion of Debt Due to Parent	$ 4.9	$ 16.8

The current portion of Debt Due to Parent has maturity dates from February 2021 through September 2021. The non-current portion of Debt Due to Parent matures on December 31, 2022. The borrowings from the Parent bear interest at various rates ranging from 1.3% to 5.0%, which may not be indicative of rates if transacted with an unrelated third party.

Interest expense was $0.4 million, $0.2 million and $0.2 million in the years ended December 31, 2020, 2019 and 2018, respectively.

14. Retirement Benefit Plans

We sponsor defined contribution plans for substantially all of the employees in the United States and certain employees in other countries. The benefits offered under these plans are reflective of local customs and practices in the countries concerned. We expensed $6.1 million, $6.6 million and $6.4 million related to these plans for the years ended December 31, 2020, 2019 and 2018, respectively.

15. Income Taxes

The tax provisions have been prepared on a separate return basis as if the Company was a separate group of companies under common ownership. The operations have been combined as if the Company was filing on a combined basis for U.S. federal, U.S. state and non-U.S. income tax purposes, where allowable by law.

The components of loss before income taxes consisted of the following (in millions):

	For the Years Ended December 31,		
	2020	2019	2018
United States operations	$ (137.6)	$ 36.4	$ (69.0)
Foreign operations	(83.8)	(64.2)	(405.3)
Total	$ (221.4)	$ (27.8)	$ (474.3)

The (benefit)/provision for income taxes and the income taxes paid consisted of the following (in millions):

Current:			
Federal	$(30.0)	$ 12.8	$ 4.2
State	2.9	0.6	2.5
Foreign	7.0	5.2	6.7
	(20.1)	18.6	13.4
Deferred:			
Federal	(2.9)	(2.3)	(8.2)
State	(1.2)	(0.7)	(0.9)
Foreign	(18.2)	(15.4)	(19.1)
Total deferred taxes	(22.3)	(18.4)	(28.2)
Benefit for income taxes	$(43.9)	$ 0.2	$(14.8)
Net income taxes paid	$ 4.7	$ 8.4	$ 9.2

A reconciliation of the income tax benefit at the U.S. statutory income tax rate to our income tax benefit is as follows (in millions):

	For the Years Ended December 31,		
	2020	2019	2018
Income tax benefit at the U.S. statutory rate	$ (46.5)	$ (5.8)	$ (99.6)
State taxes, net of federal deduction	1.7	0.4	1.6
Tax impact of foreign operations, including U.S. taxes on international income and foreign tax credits	(0.8)	8.2	(5.0)
Change in valuation allowance	7.4	(1.9)	1.3
Non-deductible expenses	0.9	1.0	0.7
Goodwill impairment	29.8	—	86.6
Tax rate change	(6.5)	(0.8)	2.4
R&D tax credit	(0.6)	(0.8)	(1.0)
Share-based compensation	—	(0.6)	(0.4)
Net uncertain tax positions, including interest and penalties	(26.2)	1.6	0.3
Other	(1.6)	(1.1)	(1.7)
Income tax (benefit) provision	$ (42.4)	$ 0.2	$ (14.8)

The components of deferred taxes consisted of the following (in millions):

	As of December 31,	
	2020	2019
Deferred tax assets:		
Inventory	$ 71.8	$ 78.4
Net operating loss carryover	31.0	22.4
Tax credit carryover	1.8	1.7
Product liability and litigation	0.9	1.0
Accrued liabilities	4.6	4.5
Share-based compensation	1.6	2.0
Accounts receivable	4.1	3.3
Other	0.4	0.1
Total deferred tax assets	116.2	113.4
Less: Valuation allowances	(29.7)	(21.9)
Total deferred tax assets after valuation allowances	86.5	91.5
Deferred tax liabilities:		
Fixed assets	$ 17.7	$ 18.4
Intangible assets	212.0	223.7
Other	—	0.1
Total deferred tax liabilities	229.7	242.2
Total net deferred income taxes	$(143.2)	$(150.7)

At December 31, 2020, net operating loss and tax credit carryovers available to reduce future federal, state and foreign taxable earnings consisted of the following (in millions):

Expiration Period	Net operating loss carryover	Tax credit carryover
2021-2025	$ —	$ —
2026-2030	11.6	1.7
2031-2040	2.7	0.1
Indefinite	16.7	—
Total	$ 31.0	$ 1.8
Valuation allowances	$ 27.9	$ 1.8

We intend to repatriate cash when the additional tax related to remitting earnings is deemed immaterial as a portion of these earnings has already been taxed as toll tax or GILTI and is not subject to further U.S. federal tax. Portions of the additional tax would also be offset by allowable foreign tax credits. We have $2.0 billion earned overseas that is expected to be permanently reinvested outside of the United States and accordingly no deferred tax liability has been recorded. If we decide at a later date to repatriate these earnings to the United States, we would be required to provide for the net tax effects on these amounts. We expect the majority of these unremitted earnings would be subject to federal tax, state tax, in addition to withholding tax in many jurisdictions. The exact amount of the tax cost to remit these earnings is not determinable.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (in millions):

	For the Years Ended December 31,		
	2020	2019	2018
Balance at January 1	$ 69.2	$ 69.6	$ 71.2
Decreases related to prior periods	—	—	(1.2)
Increases related to current period	0.1	0.1	0.2
Decreases related to lapse of statute of limitations	(22.4)	(0.5)	(0.6)
Balance at December 31	$ 46.9	$ 69.2	$ 69.6
Amounts impacting effective tax rate, if recognized balance at December 31	$ 46.3	$ 68.2	$ 68.6
Interest and penalty expense related to unrecognized tax benefits	$ (5.5)	$ 2.9	$ 2.7
Total accrued interest and penalties balance at December 31	$ 7.4	$ 12.9	$ 9.9

We operate on a global basis and are subject to numerous and complex tax laws and regulations. Our income tax filings are subject to examinations by taxing authorities throughout the world. Income tax audits may require an extended period of time to reach resolution and may result in significant income tax adjustments when interpretation of tax laws or allocation of company profits is disputed. Although ultimate timing is uncertain, the net amount of tax liability for unrecognized tax benefits may change within the next twelve months due to changes in audit status, expiration of statutes of limitations, settlements of tax assessments and other events. The Company does not expect a material change in unrecognized tax benefits over the next twelve months based on the current examination status.

We are under continuous audit by the Internal Revenue Service (“IRS”) and other taxing authorities. During the course of these audits, we receive proposed adjustments from taxing authorities that may be material. Therefore, there is a possibility that an adverse outcome in these audits could have a material effect on our results of operations and financial condition. Our U.S. Federal income tax returns have been audited through 2012 and are currently under audit for years 2013-2015 and 2016-2019. The IRS started a routine examination of our 2016-2019 U.S. Federal income tax returns in November 2020.

State income tax returns are generally subject to examination for a period of 3 to 5 years after filing of the respective return. The state impact of any federal changes generally remains subject to examination by various states for a period of up to one year after formal notification to the states. We have various state income tax return positions in the process of examination, administrative appeals or litigation.

In other major jurisdictions, open years are generally 2012 or later.

16. Segment Data

Zimmer Biomet's chief operating decision maker ("CODM") reviews our operating results as part of multiple Zimmer Biomet operating segments. As we are transitioning into an independent, publicly traded company, we consider our Chief Executive Officer our CODM. In the second quarter of 2021, he evaluated how he intends to allocate resources to achieve our operating profit goals and review business performance. As a result of that evaluation, beginning in the second quarter, we operate through two operating segments, 1) the spine product segment, and 2) the dental product segment. Our operating segments are a change from how the Zimmer Biomet CODM reviews our operating results. Our two operating segments also constitute our reportable segments.

Beginning in the second quarter of 2021, our CODM evaluates performance based upon segment operating profit exclusive of certain expenses or gains that our CODM does not include when evaluating segment performance. These expenses and gains include related party transactions; expenses incurred by us related to Parent's products and operating expenses pertaining to intangible asset amortization, goodwill impairment; restructuring expenses; acquisition, integration, divestiture and related expenses; and other various charges. Other various charges include share-based compensation, third-party costs incurred to establish initial compliance for previously-approved products with the EU MDR, third-party costs related to our compliance with a deferred prosecution agreement between Zimmer Biomet and the DOJ, allocation of costs from the 2019 Restructuring Plan, allocation of costs related to Zimmer Biomet's integration activities of acquired businesses, and the impact from excess and obsolete inventory on certain product lines we intend to discontinue, as well as other expenses. Intercompany transactions have been eliminated from segment operating profit. The information presented in all of the years below is in accordance with this reportable segment operating profit structure.

Our CODM does not review asset information by operating segment.

Net sales and other information by segment is as follows (in millions):

	Net Sales Year Ended December 31,			Operating (Loss) Profit Year Ended December 31,			Depreciation and Amortization Year Ended December 31,		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Spine	$529.1	$ 607.6	$ 633.7	$ 56.2	$ 67.3	$ 52.4	$ 39.9	$ 42.0	$ 41.6
Dental	367.8	414.0	411.2	39.8	66.3	94.6	4.2	4.4	4.8
Segment Total	896.9	1,021.6	1,044.9	96.0	133.6	147.0	44.1	46.4	46.4
Related party transactions	15.5	33.9	54.2	(54.6)	(46.3)	(37.6)	—	—	—
Expenses related to Parent products	—	—	—	(8.2)	(4.7)	(12.4)	—	—	—
Intangible asset amortization	—	—	—	(85.5)	(83.4)	(95.2)	85.5	83.4	95.2
Goodwill impairment	—	—	—	(142.0)	—	(411.7)	—	—	—
Restructuring	—	—	—	(9.7)	(1.8)	—	—	—	—
Acquisition, integration, divestiture and related	—	—	—	(2.2)	(3.2)	(30.8)	—	—	—
Other	—	—	—	(16.4)	(22.0)	(32.8)	4.7	5.3	6.1
Total	$912.4	$1,055.5	$1,099.1	$(222.6)	$ (27.8)	$(473.5)	$134.3	$135.1	$147.7

We conduct business in the following countries that hold 10 percent or more of our total combined property, plant and equipment, net (in millions):

	As of December 31,	
	2020	2019
United States	$130.4	$148.3
Other countries	53.0	55.2
Property, plant and equipment, net	$183.4	$203.5

U.S. sales were $615.7 million, $697.6 million, and $713.7 million for the years ended December 31, 2020, 2019 and 2018, respectively. Sales within any other individual country were less than 10 percent of our combined sales in each of those years. No single customer accounted for 10 percent or more of our sales in the years ended December 31, 2020, 2019 and 2018.

17. Leases

We lease most of our manufacturing facilities, various office space, vehicles and other less significant assets throughout the world. Our contracts contain a lease if they convey a right to control the use of an identified asset, either explicitly or implicitly, in exchange for consideration. As allowed by GAAP, we have elected not to recognize a right-of-use asset nor a lease liability for leases with an initial term of twelve months or less. Additionally, we have elected not to separate non-lease components from the leased components in the valuation of our right-of-use asset and lease liability for all asset classes. Our lease contracts are a necessary part of our business, but we do not believe they are significant to our overall operations. We do not have any significant finance leases. Additionally, we do not have significant leases: where we are considered a lessor; where we sublease our assets; with an initial term of twelve months or less; with related parties; with residual value guarantees; that impose restrictions or covenants on us; or that have not yet commenced, but create significant rights and obligations against us.

Our real estate leases generally have terms of between five to ten years and contain lease extension options that can vary from month-to-month extensions to up to five-year extensions. We include extension options in our lease term if we are reasonably certain to exercise that option. In determining whether an extension is reasonably certain, we consider the uniqueness of the property for our needs, the availability of similar properties, whether the extension period payments remain the same or may change due to market rates or fixed price increases in the contract, and other economic factors. Our vehicle leases generally have terms of between three to five years and contain lease extension options on a month-to-month basis. Our vehicle leases are generally not reasonably certain to be extended.

Under GAAP, we are required to discount our lease liabilities to present value using the rate implicit in the lease, or our incremental borrowing rate for a similar term as the lease term if the implicit rate is not readily available. We generally do not have adequate information to know the implicit rate in a lease and therefore use our incremental borrowing rate. Under GAAP, the incremental borrowing rate must be on a collateralized basis, but our debt arrangements are unsecured. We have determined our incremental borrowing rate by using our credit rating to estimate our unsecured borrowing rate and applying reasonable assumptions to reduce the unsecured rate for a risk adjustment effect from collateral.

We adopted ASU 2016-02 – Leases (Topic 842) effective January 1, 2019. Since we adopted the new standard using the period of adoption transition method, we are not required to present 2018 comparative disclosures under the new standard. However, we are required to present the required annual disclosures under the previous GAAP lease accounting standard.

In our combined financial statements, we have recognized the right-of-use assets and lease liabilities and related expense of leases that are expected to transfer to ZimVie at closing of the spin-off. For leases that we share with

Zimmer Biomet and will remain the responsibility of Zimmer Biomet, no assets nor liabilities have been recognized on our combined balance sheets and any lease expense has been included in allocated costs from Zimmer Biomet.

Information on our leases is as follows ($ in millions):

	For the Years Ended December 31,	
	2020	2019
Lease cost	$ 14.9	$ 14.2
Cash paid for leases recognized in operating cash flows	$ 14.3	$ 13.6
Right-of-use assets obtained in exchange for new lease liabilities	$ 9.2	$ 4.4

Total lease cost for 2018 was $15.6 million.

	As of December 31,	
	2020	2019
Right-of-use assets recognized in Other assets	$ 59.4	$ 61.2
Lease liabilities recognized in Other current liabilities	$ 14.0	$ 12.8
Long-term lease liabilities	$ 52.6	$ 56.2
Weighted-average remaining lease term	5.7 years	6.4 years
Weighted-average discount rate	2.9%	3.1%

Our variable lease costs are not significant.

Our future minimum lease payments as of December 31, 2020 were (in millions):

For the Years Ending December 31,	
2021	$15.6
2022	13.0
2023	11.8
2024	11.0
2025	8.4
Thereafter	12.9
Total	72.7
Less imputed interest	6.1
Total	$66.6

18. Commitments and Contingencies

We are subject to contingencies, such as various claims, legal proceedings and investigations regarding product liability, intellectual property, commercial, and other matters that arise in the normal course of business. On a quarterly and annual basis, we review relevant information with respect to loss contingencies and update our accruals, disclosures and estimates of reasonably possible losses or ranges of loss based on such reviews. We record liabilities for loss contingencies when it is probable that a loss has been incurred and the amount can be reasonably estimated. For matters where a loss is believed to be reasonably possible, but not probable, no accrual has been made. Legal defense costs expected to be incurred in connection with a loss contingency are accrued when probable and reasonably estimable. The recorded accrual balance for loss contingencies was approximately $5.7 million and $5.9 million as of December 31, 2020 and 2019, respectively. Initiation of new legal proceedings or a change in the status of existing proceedings may result in a change in the estimated loss accrued.

Subject to certain exceptions specified in the separation agreement by and between us and Zimmer Biomet, we assumed the liability for, and control of, all pending and threatened legal matters related to its business, including liabilities for any claims or legal proceedings related to products that had been part of its business, but were discontinued prior to the distribution, as well as assumed or retained liabilities, and will indemnify Zimmer Biomet for any liability arising out of or resulting from such assumed legal matters.

19. Related Party Transactions

We have not historically operated as a standalone business and have various relationships with Zimmer Biomet whereby Zimmer Biomet provides services. The following disclosures summarize activity between us and Zimmer Biomet that are included in the combined financial statements.

Corporate Overhead and Other Allocations from Zimmer Biomet

Zimmer Biomet provides certain services, which include, but are not limited to, executive oversight, treasury, finance, legal, human resources, tax planning, internal audit, financial reporting, information technology, and other corporate departments. Some of these services will continue to be provided by Zimmer Biomet to ZimVie on a temporary basis after the separation is completed under a transition services agreement. These expenses have been allocated based on direct usage or benefit where specifically identifiable, with the remainder allocated on a proportional cost allocation method based primarily on net trade sales, as applicable. When specific identification is not practicable, a proportional cost method was used primarily based on sales.

Corporate allocations reflected in the combined statements of earnings are as follows (in millions):

	For the Years Ended December 31,		
	2020	2019	2018
Cost of products sold	$ 3.1	$ 0.1	$ 0.1
Selling, general & administrative	69.9	72.3	74.3

Management believes that the methods used to allocate expenses to the Company are a reasonable reflection of the utilization of services provided to, or the benefit derived by, the Company during the periods presented. However, the allocations may not necessarily reflect the combined financial position, results of operations and cash flows in the future or what they would have been had the Company been a separate, standalone entity during the periods presented.

Share-Based Compensation

As discussed in Note 5, our employees participate in Zimmer Biomet's share-based compensation plans, the costs of which have been allocated and recorded in cost of products sold, research and development, and selling, general and administrative expenses in the combined statements of earnings. Share-based compensation costs related to our employees were $5.9 million, $7.1 million and $5.6 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Centralized Cash Management

Zimmer Biomet uses a centralized approach to cash management and financing of operations. The majority of our subsidiaries are party to Zimmer Biomet's cash pooling arrangements with several financial institutions to maximize the availability of cash for general operating and investing purposes. Under these cash pooling arrangements, cash balances are swept regularly from our accounts. Cash transfers to and from Zimmer Biomet's cash concentration accounts and the resulting balances at the end of each reporting period are reflected in net parent company investment and net transactions with Zimmer Biomet in the combined balance sheets and statements of cash flows, respectively.

Manufacturing Services to Zimmer Biomet

We have certain manufacturing facilities that also produce orthopedic products that will continue to be sold by Zimmer Biomet after the separation. The combined statements of earnings reflect the sales of these orthopedic products with Zimmer Biomet (in millions):

	For the Years Ended December 31,		
	2020	2019	2018
Related party net sales	$ 15.5	$ 33.9	$ 54.2
Related party cost of products sold, excluding intangible asset amortization	10.2	24.5	37.2

Debt Due to Parent

We had the following debt due to Zimmer Biomet (in millions):

	As of December 31,	
	2020	2019
Current Portion of Debt Due to Parent	$ 17.6	$ —
Non-Current Portion of Debt Due to Parent	4.9	16.8

Interest expense recognized on Debt Due to Parent in our combined statements of net earnings was $0.4 million, $0.2 million and $0.2 million in the years ended December 31, 2020, 2019 and 2018, respectively. Refer to Note 13 for further detail.

Net Parent Company Investment

As discussed in the basis of presentation in Note 1, net parent company investment is primarily impacted by contributions from Zimmer Biomet as a result of treasury activities and net funding provided by or distributed to Zimmer Biomet. The components of net parent company investment are:

	For the Years Ended December 31,		
	2020	2019	2018
Cash pooling and general financing activities	$ 116.8	$ 113.8	$ 135.9
Corporate cost allocations	(73.0)	(72.4)	(74.4)
Net transactions with Zimmer Biomet reflected in the Combined Statements of Cash Flows	43.8	41.4	61.5
Share-based compensation expense	(5.9)	(7.1)	(5.6)
Other non-cash adjustments	3.5	(5.4)	(6.8)
Net transactions with Parent reflected in the Combined Statements of Changes in Net Parent Investment	$ 41.4	$ 28.9	$ 49.1

20. Subsequent events

These combined financial statements were derived from the financial statements of Zimmer Biomet, which issued its annual financial statements for the fiscal year ended December 31, 2020 on February 22, 2021. Accordingly, the Company has evaluated transactions for consideration as recognized subsequent events in these financial statements through the date of February 22, 2021. Additionally, the Company has evaluated transactions that occurred through August 9, 2021, the date these financial statements were available for issuance, for the purposes of unrecognized subsequent events. In connection with the reissuance of the financial statements for the change in reporting entity, the Company has evaluated subsequent events through November 12, 2021, the date the financial statements were available to be reissued.

Schedule II. Valuation and Qualifying Accounts (in millions):

Description	Balance at Beginning of Period	Additions Charged (Credited) to Expense	Deductions / Other Additions to Reserve	Effects of Foreign Currency	Balance at End of Period
Allowance for Credit Losses:					
Year Ended December 31, 2018	$ 25.2	$ 5.8	$ (5.1)	$ (0.4)	$ 25.5
Year Ended December 31, 2019	25.5	6.1	(11.9)	(0.1)	19.6
Year Ended December 31, 2020	19.6	2.7	(3.7)(1)	0.3	18.9
Deferred Tax Asset Valuation Allowances:					
Year Ended December 31, 2018	$ 20.2	$ 2.9	$ 0.6 (2)	$ (1.4)	$ 22.3
Year Ended December 31, 2019	22.3	0.1	(0.1)(2)	(0.4)	21.9
Year Ended December 31, 2020	21.9	7.5	(0.6)(2)	0.9	29.7

(1) Includes the $1.0 cumulative-effect adjustment related to the adoption of ASU 2016-13, Financial Instruments – Credit Losses (Topic 326).

(2) Primarily relate to amounts generated by tax rate changes or current year activity which have offsetting changes to the associated attribute and therefore there is no resulting impact on tax expense in the combined financial statements.

Other financial statement schedules are omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
CONDENSED COMBINED STATEMENTS OF EARNINGS
(in millions, unaudited)

	For the Nine Months Ended September 30,	
	2021	2020
Net Sales		
Third party, net	$ 748.2	$ 625.2
Related party, net	4.8	12.3
Total Net Sales	753.0	637.5
Cost of products sold, excluding intangible asset amortization	256.4	212.6
Related party cost of products sold, excluding intangible asset amortization	3.5	8.2
Intangible asset amortization	65.0	63.4
Research and development	43.9	36.1
Selling, general and administrative	405.1	391.2
Goodwill impairment	—	142.0
Restructuring	2.3	9.5
Acquisition, integration, divestiture and related	12.0	1.7
Operating expenses	788.2	864.7
Operating Loss	(35.2)	(227.2)
Other income (expense), net	(0.4)	0.9
Interest expense, net	(0.3)	(0.2)
Loss before income taxes	(35.9)	(226.5)
(Benefit) provision for income taxes	(1.3)	(11.0)
Net Loss	(34.6)	(215.5)
Less: Net earnings attributable to noncontrolling interest	—	0.1
Net Loss of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$ (34.6)	$ (215.6)

The accompanying notes are an integral part of these condensed combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions, unaudited)

	For the Nine Months Ended September 30,	
	2021	2020
Net Loss	$(34.6)	$(215.5)
Other Comprehensive Income (Loss):		
Foreign currency cumulative translation adjustments, net of tax	(33.9)	19.3
Total Other Comprehensive Income (Loss)	(33.9)	19.3
Comprehensive Loss	(68.5)	(196.2)
Comprehensive Income Attributable to Noncontrolling Interest	—	0.1
Comprehensive Loss Attributable to the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	$(68.5)	$(196.3)

The accompanying notes are an integral part of these condensed combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
CONDENSED COMBINED BALANCE SHEETS
(in millions, unaudited)

	As of September 30, 2021	As of December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 24.1	$ 27.4
Accounts receivable, less allowance for credit losses	170.2	193.7
Inventories	274.7	283.0
Prepaid expenses and other current assets	22.7	21.9
Total Current Assets	491.7	526.0
Property, plant and equipment, net	180.7	183.4
Goodwill	269.3	273.7
Intangible assets, net	797.4	891.0
Other assets	69.8	75.1
Total Assets	$ 1,808.9	$ 1,949.2
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	$ 40.5	$ 49.7
Income taxes payable	6.7	6.6
Other current liabilities	121.5	152.3
Current portion of debt due to parent	33.0	17.6
Total Current Liabilities	201.7	226.2
Deferred income taxes, net	133.2	155.2
Lease liability	46.1	52.7
Other long-term liabilities	20.7	19.7
Non-current portion of debt due to parent	4.9	4.9
Total Liabilities	406.6	458.7
Commitments and Contingencies (Note 16)		
Equity:		
Net parent company investment	1,431.7	1,486.0
Accumulated other comprehensive income (loss)	(29.4)	4.5
Total equity of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	1,402.3	1,490.5
Noncontrolling interest	—	—
Total Equity	1,402.3	1,490.5
Total Liabilities and Equity	$ 1,808.9	$ 1,949.2

The accompanying notes are an integral part of these condensed combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
CONDENSED COMBINED STATEMENTS OF CHANGES IN NET PARENT INVESTMENT
(in millions, unaudited)

	Net Parent Company Investment	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Equity
Balance January 1, 2020	$ 1,707.5	$ (40.3)	$ 0.9	$1,668.1
Net loss	(215.6)	—	0.1	(215.5)
Adoption of new accounting standard	(1.0)	—	—	(1.0)
Net transactions with Zimmer Biomet	30.2	—	—	30.2
Other comprehensive income	—	19.3	—	19.3
Balance September 30, 2020	1,521.1	(21.0)	1.0	1,501.1
Balance January 1, 2021	1,486.0	4.5	—	1,490.5
Net loss	(34.6)	—	—	(34.6)
Net transactions with Zimmer Biomet	(19.7)	—	—	(19.7)
Other comprehensive income	—	(33.9)	—	(33.9)
Balance September 30, 2021	$ 1,431.7	$ (29.4)	$ —	$1,402.3

The accompanying notes are an integral part of these condensed combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
CONDENSED COMBINED STATEMENTS OF CASH FLOWS
(in millions, unaudited)

	For the Nine Months Ended September 30,	
	2021	2020
Cash flows provided by (used in) operating activities:		
Net loss	$(34.6)	$(215.5)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	95.7	100.2
Goodwill impairment	—	142.0
Share-based compensation	2.9	4.9
Changes in operating assets and liabilities, net of acquired assets and liabilities		
Income taxes	(14.1)	(21.5)
Receivables	19.8	3.5
Inventories	6.4	(6.6)
Accounts payable and accrued liabilities	(22.2)	(14.4)
Other assets and liabilities	(11.0)	1.7
Net cash provided by (used in) operating activities	42.9	(5.7)
Cash flows used in investing activities:		
Additions to instruments	(19.8)	(23.1)
Additions to other property, plant and equipment	(14.4)	(3.7)
Other investing activities	(3.7)	(2.6)
Net cash used in investing activities	(37.9)	(29.4)
Cash flows (used in) provided by financing activities:		
Net transactions with Zimmer Biomet	1.3	29.4
Net cash flows from unremitted collections from factoring programs	—	(0.9)
Repayments of debt due to parent	(8.0)	(0.7)
Other financing activities	(0.8)	—
Net cash (used in) provided by financing activities	(7.5)	27.8
Effect of exchange rates on cash and cash equivalents	(0.8)	(0.9)
Decrease in cash and cash equivalents	(3.3)	(8.2)
Cash and cash equivalents, beginning of year	27.4	37.0
Cash and cash equivalents, end of period	$ 24.1	$ 28.8

The accompanying notes are an integral part of these condensed combined financial statements.

THE SPINE AND DENTAL BUSINESSES OF ZIMMER BIOMET HOLDINGS, INC.
NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS
(Unaudited)

1. Background, Nature of Business and Basis of Presentation

Background

On February 5, 2021, Zimmer Biomet Holdings Inc. ("Zimmer Biomet" or the "Parent") announced its intention to spin off the Parent's Spine and Dental businesses to form a new and independent publicly traded company, ZimVie, Inc. ("ZimVie"). References to "ZimVie", the "Company," "we," "us" and "our" and other similar terms throughout the condensed combined financial statements refer to the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc. The transaction is intended to qualify as a tax-free distribution, for U.S. federal income tax purposes, to U.S. shareholders of new publicly traded stock in the Company.

We expect the transaction to be completed during our first quarter of fiscal year 2022, subject to the satisfaction of certain conditions including, among others, final approval of Zimmer Biomet's Board of Directors, receipt of a favorable opinion and Internal Revenue Service ruling with respect to the tax-free nature of the transaction, and the effectiveness of a Form 10 registration statement that will be filed with the U.S. Securities and Exchange Commission ("SEC"). There can be no assurance regarding the ultimate timing of the proposed transaction or that the transaction will be completed.

Nature of Business

Our operations are principally managed on a products basis and include two operating segments, 1) the Spine products segment, and 2) the Dental products segment.

In the Spine products market, our core services include designing, manufacturing and distributing medical devices and surgical instruments to deliver comprehensive solutions for individuals with back or neck pain caused by degenerative conditions, deformities or traumatic injury of the spine. We also provide devices that promote bone healing. Differentiated products in our Spine portfolio include Mobi-C® Cervical Disc and The Tether™.

In the Dental products market, our core services include manufacturing and/or distributing dental reconstructive implants—for individuals who are totally without teeth or are missing one or more teeth, dental prosthetic products—aimed at providing a more natural restoration to resemble the original teeth and dental regenerative products—for soft tissue and bone rehabilitation. Our key products include the T3® Implant, Tapered Screw-Vent Implant System, Trabecular Metal™ Dental Implant, BellaTek Encode Impression System and Puros Allograft Particulate.

Basis of Presentation

The financial data presented herein is unaudited and should be read in conjunction with the condensed combined financial statements and accompanying notes for the year ended December 31, 2020.

In our opinion, the accompanying unaudited condensed combined financial statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods presented. The December 31, 2020 condensed combined balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. Results for interim periods should not be considered indicative of results for the full year.

We have historically existed and functioned as part of the consolidated business of Zimmer Biomet. The accompanying condensed combined financial statements are prepared on a standalone basis and are derived from Zimmer Biomet's consolidated financial statements and accounting records.

The carve-out financial statements and accounting records present the condensed combined balance sheets as of September 30, 2021 and December 31, 2020 and the condensed combined statements of earnings, condensed combined statements of comprehensive income (loss), condensed combined statements of changes in net parent investment and condensed combined statements of cash flows for the nine-month periods ended September 30, 2021 and 2020.

The condensed combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The condensed combined statements of earnings include all revenues and costs directly attributable to our business, including costs for facilities, functions, and services we utilize. The condensed combined statements of earnings also include an allocation of expenses related to certain Zimmer Biomet commercial and corporate functions, including distribution, quality, regulatory, information technology, finance, executive, human resources and legal. These expenses have been allocated based on direct usage or benefit where specifically identifiable, with the remainder allocated on a proportional cost allocation method based primarily on net sales, as applicable. Management considers the expense methodology and resulting allocation to be reasonable for all periods presented; however, the allocations may not be indicative of actual expense that would have been incurred had we operated as an independent, publicly traded company for the periods presented. Actual costs that we may have incurred had we been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by our employees, and strategic decisions made in areas such as manufacturing, selling and marketing, research and development, information technology and infrastructure.

The income tax amounts in the condensed combined financial statements have been calculated on a separate return method and presented as if our operations were separate taxpayers in the respective jurisdictions.

Following the spin-off, certain functions that Zimmer Biomet provided to us prior to the spin-off will either continue to be provided to us by Zimmer Biomet under a transition services agreements or will be performed using our own resources or third-party service providers. Additionally, under manufacturing and supply agreements, we will manufacture certain products for Zimmer Biomet and Zimmer Biomet will manufacture certain products for us. We expect to incur certain costs to establish ourselves as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company.

The condensed combined balance sheets include assets and liabilities that have been determined to be specifically identifiable or otherwise attributable to us, including certain assets that were historically held at the corporate level in Zimmer Biomet. All intercompany accounts and transactions within the Company have been eliminated. All transactions between us and Zimmer Biomet previously resulting in intercompany balances are considered to be effectively settled in the condensed combined financial statements at the time the transaction is recorded. The total net effect of the settlement of these transactions is reflected in the condensed combined statement of cash flows as a financing activity and in the condensed combined balance sheets as net parent company investment. See Note 17 for additional information on related party transactions with Zimmer Biomet.

Zimmer Biomet maintains various employee benefits plans which the Company's employees participate in, and a portion of the costs associated with these plans has been included in the Company's condensed combined financial statements. The condensed combined balance sheets do not include assets and liabilities relating to these plans because the Parent is the plan sponsor.

Our equity balance in these condensed combined financial statements represents the excess of total assets over liabilities including the due to/from balances between us and Zimmer Biomet (net parent company investment) and accumulated other comprehensive income (loss) ("AOCI"). Net parent company investment is primarily impacted by contributions from Zimmer Biomet which are the result of treasury activities and net funding provided by or distributed to Zimmer Biomet. Our AOCI as of January 1, 2018 is based on the currency translation historically recorded on our specific assets and liabilities. Foreign currency translation recorded

during the nine-month periods ended September 30, 2021 and 2020 is based on currency movements specific to our condensed combined financial statements.

Zimmer Biomet utilizes a central approach to treasury management and we historically participated in related cash pooling arrangements. Our cash and cash equivalents on the condensed combined balance sheets represent cash balances from standalone entities who did not participate in such arrangements. We have no third-party borrowings. All borrowings by us due to Zimmer Biomet attributable to our business are recorded as "debt due to parent" in the condensed combined balance sheets and classified as current or noncurrent based on loan maturity dates. Zimmer Biomet's third-party debt and related interest expense have not been attributed to us because we are not the legal obligor of the debt and the borrowings are not specifically identifiable to us. However, in connection with the spin-off, we expect to incur indebtedness and such indebtedness would result in additional interest expense in future periods.

2. Revision of Financial Statements

We discovered an error that affected our condensed combined balance sheet as of September 30, 2021 and our condensed combined statement of changes in net parent investment and condensed combined statement of cash flows for the nine-month period ended September 30, 2021. The error related to cash received by a ZimVie entity related to products remaining with Zimmer Biomet that was recorded as a reduction of our account receivables, but should have been applied to Zimmer Biomet accounts receivable. The cash received by this ZimVie entity participates in a Zimmer Biomet cash pooling arrangement and therefore our cash balance was not affected by this error. As a result, our accounts receivable and net parent investment were understated on our condensed combined balance sheet as of September 30, 2021.

We assessed the materiality of the accounts receivable misstatement on prior periods' combined financial statements in accordance with Securities and Exchange Commission (the "SEC") Staff Accounting Bulletin ("SAB") Topic 1.M, Materiality, codified in Accounting Standards Codification Topic 250, Accounting Changes and Error Corrections, and concluded that the error was not material to the prior periods. However, we determined it appropriate to revise our accompanying condensed combined balance sheet as of September 30, 2021 and our condensed combined statement of changes in net parent investment and condensed combined statement of cash flows for the nine-month period ended September 30, 2021 to correct for this error.

Following is a summary of the financial statement line items impacted by these revisions (in millions):

Revisions to the Condensed Combined Balance Sheet

	September 30, 2021		
	As Reported	Adjustment	As Revised
Accounts Receivable, less allowance for credit losses	$ 159.7	$ 10.5	$ 170.2
Total Current Assets	481.2	10.5	491.7
Total Assets	1,798.4	10.5	1,808.9
Net parent company investment	1,421.2	10.5	1,431.7
Total equity of the Spine and Dental Businesses of Zimmer Biomet Holdings, Inc.	1,391.8	10.5	1,402.3
Total Equity	1,391.8	10.5	1,402.3
Total Liabilities and Equity	1,798.4	10.5	1,808.9

Revisions to the Condensed Combined Statement of Changes in Net Parent Investment

	For the Nine Months Ended September 30, 2021		
	As Reported	Adjustment	As Revised
Net transactions with Zimmer Biomet	(30.2)	10.5	(19.7)
Balance, September 30, 2021	1,421.2	10.5	1,431.7

Revisions to the Condensed Combined Statement of Cash Flows

	For the Nine Months Ended September 30, 2021		
	As Reported	Adjustment	As Revised
Changes in operating assets and liabilities, net of acquired assets and liabilities			
Receivables	30.3	(10.5)	19.8
Net cash provided by (used in) operating activities	53.4	(10.5)	42.9
Net transactions with Zimmer Biomet	(9.2)	10.5	1.3
Net cash (used in) provided by financing activities	(18.0)	10.5	(7.5)

3. Significant Accounting Policies

Use of Estimates - The accompanying unaudited condensed combined financial statements are prepared in conformity with GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We have made our best estimates, as appropriate under GAAP, in the recognition of our assets and liabilities. These estimates have considered the impact the COVID-19 pandemic may have on our financial position, results of operations and cash flows. Such estimates included, but were not limited to, determining the allocations of costs and expenses from Zimmer Biomet, variable consideration to our customers, our allowance for doubtful accounts for expected credit losses, the net realizable value of our inventory, the fair value of our goodwill and the recoverability of other long-lived assets. Actual results could differ materially from these estimates.

Accounting Pronouncements Recently Adopted

In December 2019, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2019-12 Simplifying the Accounting for Income Taxes. ASU 2019-12 eliminates certain exceptions in the rules regarding the approach for intraperiod tax allocations and the methodology for calculating income taxes in an interim period, and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill, among other things. We adopted this standard as of January 1, 2021. The adoption of this standard did not have a material impact on our financial position, results of operations or cash flows.

Accounting Pronouncements Not Yet Adopted

There are no recently issued accounting pronouncements that we have not yet adopted that are expected to have a material effect on our financial position, results of operations or cash flows.

4. Revenue Recognition

Net sales by product category are as follows (in millions):

	For the Nine Months Ended September 30,	
	2021	2020
Spine	$405.2	$375.0
Dental	343.0	250.2
Related Party	4.8	12.3
Total	$753.0	$637.5

5. Restructuring

In December 2019, Zimmer Biomet's Board of Directors approved, and initiated, a global restructuring program (the "2019 Restructuring Plan") with an objective of reducing costs to allow further investment in higher priority growth opportunities. The pre-tax restructuring charges consisted of employee termination benefits; contract terminations for facilities and sales agents; and other charges, such as retention period salaries and benefits and relocation costs. The restructuring charges incurred in the nine-month period ended September 30, 2021 primarily related to facility relocation, consulting fees, and employee termination benefits. The following table summarizes the liabilities directly attributable to ZimVie recognized under the 2019 Restructuring Plan (in millions):

	Employee Termination Benefits	Other	Total
Balance, December 31, 2020	2.0	—	2.0
Expenses incurred in the nine-month period ended September 30, 2021	0.2	2.1	2.3
Cash payments	(0.8)	(1.8)	(2.6)
Balance, September 30, 2021	$ 1.4	$ 0.3	$ 1.7
Expense incurred since the start of the 2019 Restructuring Plan	$ 6.8	$ 7.0	$13.8

We do not include restructuring charges in the operating profit of our reportable segments.

6. Inventories

Inventories consisted of the following (in millions):

	As of September 30, 2021	As of December 31, 2020
Finished goods	$ 214.7	$ 247.8
Work in progress	38.0	24.2
Raw materials	22.0	11.0
Inventories	$ 274.7	$ 283.0

7. Property, Plant and Equipment

Property, plant and equipment consisted of the following (in millions):

	As of September 30, 2021	As of December 31, 2020
Land	$ 7.3	$ 7.2
Building and equipment	224.1	224.3
Capitalized software costs	34.5	30.1
Instruments	322.0	324.3
Construction in progress	4.7	3.5
	592.6	589.4
Accumulated depreciation	(411.9)	(406.0)
Property, plant and equipment, net	$ 180.7	$ 183.4

We had $2.0 million and $2.4 million of property, plant and equipment included in accounts payable as of September 30, 2021 and December 31, 2020, respectively.

8. Transfers of Financial Assets

Zimmer Biomet had receivables purchase arrangements with unrelated third parties to liquidate portions of trade accounts receivable balance including receivables related to our spine business. The receivables related to products sold to customers and were short-term in nature. The factorings were treated as sales of the accounts receivable. Proceeds from the transfers reflect either the face value of the accounts receivable or the face value less factoring fees.

The Parent terminated the programs in the U.S. and Japan in the fourth quarter of 2020. The programs were executed on a revolving basis with a maximum funding limit for Zimmer Biomet of $450 million combined before termination. The Parent acted as the collection agent on behalf of the third party, but had no significant retained interests or servicing liabilities related to the accounts receivable sold. As of December 31, 2020, all factored receivables related to our spine business had been collected and remitted in conjunction with the termination of those programs in 2020.

In Europe, the Parent sold to a third party and there was no continuing involvement or significant risk with the factored accounts receivable.

Funds received from the transfers are recorded as an increase to cash and a reduction of accounts receivable outstanding in the condensed combined balance sheets. We report the cash flows attributable to the sale of the receivables to third parties in cash flows from operating activities in our condensed combined statements of cash flows. Net expenses resulting from the sales of receivables are recognized in SG&A expense. Net expenses included any resulting gains or losses from the sales of receivables, credit insurance and factoring fees.

For the nine-month periods ended September 30, 2021 and 2020, receivables related to our spine business were sold having an aggregate face value of $4.9 million and $49.6 million to third parties in exchange for cash proceeds of $4.9 million and $49.5 million, respectively. Expenses recognized on these sales during the nine-month periods ended September 30, 2021 and 2020 were not significant. For the nine-month period ended September 30, 2020 under the U.S. and Japan programs, receivables related to our spine business of $44.8 million were collected from our customers and these amounts were remitted to the third party, and we effectively repurchased $7.0 million of our previously sold accounts receivable due to the programs' revolving nature. The initial collection of cash from customers and its remittance to the third party is reflected in net cash provided by/(used in) financing activities in our condensed combined statements of cash flows. No amounts were unremitted to third parties as of September 30, 2021 and December 31, 2020.

9. Fair Value Measurements of Assets and Liabilities

The following financial assets and liabilities are recorded at fair value on a recurring basis (in millions):

	As of September 30, 2021			
		Fair Value Measurements at Reporting Date Using:		
Description	Recorded Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Contingent payments related to acquisitions	10.3	—	—	10.3
Total Liabilities	$ 10.3	$ —	$ —	$ 10.3

Description	Recorded Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	As of December 31, 2020			
		Fair Value Measurements at Reporting Date Using:		
Liabilities				
Contingent payments related to acquisitions	10.0	—	—	10.0
Total Liabilities	$ 10.0	$ —	$ —	$ 10.0

Contingent payments related to acquisitions consist of sales-based payments, and are valued using discounted cash flow techniques. The fair value of sales-based payments is based upon probability-weighted future revenue estimates, and increase as revenue estimates increase.

The following table provides a reconciliation of the beginning and ending balances of items measured at fair value on a recurring basis in the tables above that used significant unobservable inputs (Level 3) (in millions):

	Level 3 - Liabilities
Beginning balance December 31, 2020	$ 10.0
Change in estimate	1.5
Payments	(0.8)
Foreign currency impact	(0.4)
Ending balance September 30, 2021	$ 10.3

Changes in estimates for contingent payments related to acquisitions are recognized in “Acquisition, integration, divestiture and related” on our condensed combined statements of earnings.

10. Acquisitions

In the fourth quarter of 2020 we acquired all the issued and outstanding shares of 3DIEMME S.r.l. (“3DIEMME”), a dental treatment planning and dental CAD/CAM design software provider based in Italy. The 3DIEMME acquisition was completed primarily to expand treatment planning and design software offerings in our digital dentistry portfolio. There were no significant changes in the nine-month period ended September 30, 2021 to the preliminary fair values that were recognized as of December 31, 2020.

We have not included pro forma information and certain other information under GAAP for this acquisition because it did not have a material impact on our financial position or results of operations individually or in the aggregate.

11. Goodwill

Our only reporting unit with goodwill remaining is our Dental reporting unit. The only change in our goodwill in the nine-month period ended September 30, 2021 was related to changes in foreign currency translation.

As of March 31, 2020, we tested our Dental reporting unit for impairment due to the significant adverse effect the COVID-19 pandemic was expected to have on our operating results. This resulted in a goodwill impairment charge of $142.0 million.

The impairment charge of $142.0 million was primarily driven by the COVID-19 pandemic. The COVID-19 pandemic had a significant adverse effect on both the operational and non-operational assumptions used to estimate the fair value of our Dental reporting unit. The significant decline in Zimmer Biomet's share price and that of most other publicly-traded companies resulted in us utilizing a higher risk-adjusted discount rate compared to the rate used in our previous annual goodwill impairment test to discount our future estimated cash flows to present value. On an operational basis, due to the deferral of elective surgical procedures, at the time of March 31, 2020 impairment test, we estimated that our cash flows in 2020 would be significantly lower than previously estimated in our prior annual goodwill impairment test. We estimated the cash flows from our Dental reporting unit might have a slower recovery than other healthcare segments because many dental procedures are not covered by insurance. Therefore, we estimated that economic uncertainty would likely result in patients deferring dental procedures for a longer period of time. As of September 31, 2021, $269.3 million of goodwill remained in the Dental reporting unit.

We estimated the fair value of the Dental reporting unit based on income and market approaches. Fair value under the income approach was determined by discounting to present value the estimated future cash flows of the reporting unit. Fair value under the market approach utilized the guideline public company methodology, which uses valuation indicators from publicly-traded companies that are similar to our Dental reporting unit and considers differences between our reporting unit and the comparable companies.

In estimating the future cash flows of the reporting unit, we utilized a combination of market and company-specific inputs that a market participant would use in assessing the fair value of the reporting units. The primary market input was revenue growth rates. These rates were based upon historical trends and estimated future growth drivers such as an aging global population, innovative new product offerings and increased demand for cosmetic dentistry procedures. In the near term, the COVID-19 pandemic was expected to result in a decline to our revenue when compared to the same prior year periods. Significant company specific inputs included assumptions regarding how the reporting unit could leverage operating expenses as revenue grows and the impact any of our differentiated products or new products will have on revenues. The risk-adjusted discount rates we utilized use a combination of market and company-specific inputs. Market inputs included risk-free interest rates, equity risk and debt-to-equity values of similar companies, as well as other market inputs. Company-specific inputs considered how our specific reporting unit may differ from the market assumptions.

Under the guideline public company methodology, we took into consideration specific risk differences between our reporting unit and the comparable companies, such as recent financial performance, size risks and product portfolios, among other considerations.

We perform our annual test of goodwill impairment in the fourth quarter of every year. In connection with the 2020 annual goodwill impairment test in the fourth quarter of 2020, we estimated the fair value of our Dental reporting unit using the income and market approaches. The estimated fair value of our reporting unit increased in the fourth quarter impairment test compared to the March 31, 2020 test due to the negative effects on discounted cash flows from the COVID-19 pandemic forecasted for second and third quarters of 2020 no longer being in the future cash flow estimates. As a result, the estimated fair value of our Dental reporting unit exceeded its carrying value by more than 10 percent.

We will continue to monitor the fair value of our Dental reporting unit in our interim and annual reporting periods. If our estimated cash flows decrease, we may have to record further impairment charges in the future. Factors that could result in our cash flows being lower than our current estimates include: 1) the COVID-19 pandemic causes elective surgical procedures to be deferred longer than our estimates, or additional recurrence of the virus causes additional deferrals of elective surgical procedures, 2) decreased revenues caused by unforeseen changes in the dental market, or our inability to generate new product revenue from our research and development activities, and 3) our inability to achieve the estimated operating margins in our forecasts due to unforeseen factors. Additionally, changes in the broader economic environment could cause changes to our estimated discount rates and comparable company valuation indicators, which may impact our estimated fair values.

12. Other Current Liabilities

Other current liabilities consisted of the following (in millions):

	As of September 30, 2021	As of December 31, 2020
Other current liabilities:		
License and service agreements	$ 30.3	$ 42.6
Salaries, wages and benefits	32.7	40.5
Lease liabilities	12.7	14.0
Accrued liabilities	45.8	55.2
Total other current liabilities	$ 121.5	$ 152.3

13. Debt Due to Parent

Zimmer Biomet utilizes a centralized approach to cash management and the financing of its operations. As part of the capitalization of various wholly-owned Zimmer Biomet subsidiaries debt has been incurred between these subsidiaries. We have classified any borrowings by subsidiaries that will be our affiliate after the spin-off that are payable to subsidiaries that will remain with Zimmer Biomet as Debt Due to Parent. These balances are expected to be settled in cash, except as disclosed below. Debt Due to Parent consisted of the following (in millions):

	As of September 30, 2021	As of December 31, 2020
Current portion of Debt Due to Parent	$ 33.0	$ 17.6
Non-Current portion of Debt Due to Parent	$ 4.9	$ 4.9

The current portion of Debt Due to Parent has maturity dates through September 2022. Of the current portion of Debt Due to Parent, $24.4 million was legally entered into on September 30, 2021 related to organizational separation planning. This debt was subsequently terminated in October 2021 without any cash ever being exchanged between a ZimVie subsidiary and the Parent. The non-current portion of Debt Due to Parent matures on December 31, 2022. The borrowings from the Parent bear interest at various rates ranging from 1.0% to 5.0%, which may not be indicative of rates if transacted with an unrelated third party.

14. Income Taxes

Our effective tax rate (“ETR”) on loss before income taxes was 3.6 percent and 4.9 percent for the nine-month periods ended September 30, 2021 and 2020, respectively. In 2021, the income tax benefit was lower than our statutory tax rate driven by unfavorable jurisdictional mix in addition to expense for increasing valuation allowances. In 2020, the benefit was lower than the statutory rate driven by a non-deductible goodwill impairment charge which resulted in a loss before taxes, but had no corresponding tax benefit.

Our ETR in future periods could also potentially be impacted by: changes in our mix of pre-tax earnings; changes in tax rates, tax laws or their interpretation; the outcome of various federal, state and foreign audits; and the expiration of certain statutes of limitations. Currently, we cannot reasonably estimate the impact of these items on our financial results.

15. Segment Data

Zimmer Biomet’s chief operating decision maker (“CODM”) reviews our operating results as part of multiple Zimmer Biomet operating segments. As we are transitioning into an independent, publicly traded company, we consider our Chief Executive Officer our CODM. In the second quarter of 2021, he evaluated how he intends to

allocate resources to achieve our operating profit goals and review business performance. As a result of that evaluation, beginning in the second quarter, we operate through two operating segments, 1) the spine product segment, and 2) the dental product segment. Our operating segments are a change from how the Zimmer Biomet CODM reviews our operating results. Our two operating segments also constitute our reportable segments.

Beginning in the second quarter of 2021, our CODM evaluates performance based upon segment operating profit exclusive of certain expenses or gains that our CODM does not include when evaluating segment performance. These expenses and gains include related party transactions; expenses incurred by us related to Parent's products and operating expenses pertaining to intangible asset amortization, goodwill impairment; restructuring expenses; acquisition, integration, divestiture and related expenses; and other various charges. Other various charges include share-based compensation, third-party costs incurred to establish initial compliance for previously approved products with the EU MDR, third-party costs related to our compliance with a deferred prosecution agreement between Zimmer Biomet and the DOJ, allocation of costs from the 2019 Restructuring Plan, allocation of costs related to Zimmer Biomet's integration activities of acquired businesses, and the impact from excess and obsolete inventory on certain product lines we intend to discontinue, as well as other expenses. Intercompany transactions have been eliminated from segment operating profit. The information presented in all of the years below is in accordance with this reportable segment operating profit structure.

Our CODM does not review asset information by operating segment.

Net sales and other information by segment is as follows (in millions):

	Net Sales		Operating (Loss) Profit	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Spine	$ 405.2	$ 375.0	$ 46.3	$ 30.4
Dental	343.0	250.2	67.6	20.0
Segment Total	748.2	625.2	113.9	50.4
Related party transactions	4.8	12.3	(40.5)	(40.5)
Expenses related to Parent products	—	—	(1.1)	(5.0)
Intangible asset amortization	—	—	(65.0)	(63.4)
Goodwill impairment	—	—	—	(142.0)
Restructuring	—	—	(2.3)	(9.5)
Acquisition, integration, divestiture and related	—	—	(12.0)	(1.9)
Other	—	—	(28.2)	(15.3)
Total	$ 753.0	$ 637.5	$ (35.2)	$ (227.2)

16. Commitments and Contingencies

We are subject to contingencies, such as various claims, legal proceedings and investigations regarding product liability, intellectual property, commercial, and other matters that arise in the normal course of business. On a quarterly and annual basis, we review relevant information with respect to loss contingencies and update our accruals, disclosures and estimates of reasonably possible losses or ranges of loss based on such reviews. We record liabilities for loss contingencies when it is probable that a loss has been incurred and the amount can be reasonably estimated. For matters where a loss is believed to be reasonably possible, but not probable, no accrual has been made. Legal defense costs expected to be incurred in connection with a loss contingency are accrued when probable and reasonably estimable. The recorded accrual balance for loss contingencies was approximately $5.9 million and $5.7 million as of September 30, 2021 and December 31, 2020, respectively. Initiation of new legal proceedings or a change in the status of existing proceedings may result in a change in the estimated loss accrued.

Subject to certain exceptions specified in the separation agreement by and between us and Zimmer Biomet, we assumed the liability for, and control of, all pending and threatened legal matters related to its business, including liabilities for any claims or legal proceedings related to products that had been part of its business, but were discontinued prior to the distribution, as well as assumed or retained liabilities, and will indemnify Zimmer Biomet for any liability arising out of or resulting from such assumed legal matters.

17. Related Party Transactions

ZimVie has not historically operated as a standalone business and has various relationships with Zimmer Biomet whereby Zimmer Biomet provides services. The following disclosures summarize activity between ZimVie and Zimmer Biomet that are included in the condensed combined financial statements.

Corporate Overhead and Other Allocations from Zimmer Biomet

Zimmer Biomet provides certain services, which include, but are not limited to, executive oversight, treasury, finance, legal, human resources, tax planning, internal audit, financial reporting, information technology, and other corporate departments. Some of these services will continue to be provided by Zimmer Biomet to ZimVie on a temporary basis after the separation is completed under a transition services agreement. These expenses have been allocated based on direct usage or benefit where specifically identifiable, with the remainder allocated on a proportional cost allocation method based primarily on net trade sales, as applicable. When specific identification is not practicable, a proportional cost method was used primarily based on sales.

Corporate allocations reflected in the condensed combined statements of earnings are as follows (in millions):

	For the Nine Months Ended September 30,	
	2021	2020
Cost of products sold	$ 0.5	$ 3.1
Selling, general & administrative	48.9	51.9

Management believes that the methods used to allocate expenses to the Company are a reasonable reflection of the utilization of services provided to, or the benefit derived by, the Company during the periods presented. However, the allocations may not necessarily reflect the condensed combined financial position, results of operations and cash flows of ZimVie in the future or what they would have been had the Company been a separate, standalone entity during the periods presented.

Share-Based Compensation

Our employees participate in Zimmer Biomet's share-based compensation plans, the costs of which have been allocated and recorded in cost of products sold, research and development, and selling, general and administrative expenses in the condensed combined statements of earnings. Share-based compensation costs related to our employees were $2.9 million and $4.9 million for the nine-month periods ended September 30, 2021 and 2020, respectively.

Centralized Cash Management

Zimmer Biomet uses a centralized approach to cash management and financing of operations. The majority of our subsidiaries are party to Zimmer Biomet's cash pooling arrangements with several financial institutions to maximize the availability of cash for general operating and investing purposes. Under these cash pooling arrangements, cash balances are swept regularly from our accounts. Cash transfers to and from Zimmer Biomet's cash concentration accounts and the resulting balances at the end of each reporting period are reflected in net parent company investment and net transactions with Zimmer Biomet in the condensed combined balance sheets and statements of cash flows, respectively.

Manufacturing Services to Zimmer Biomet

We have certain manufacturing facilities that also produce orthopedic products that will continue to be sold by Zimmer Biomet after separation. The condensed combined statements of earnings reflect the sales of these orthopedic products with Zimmer Biomet (in millions):

	For the Nine Months Ended September 30,	
	2021	2020
Related party net sales	$4.8	$ 12.3
Related party cost of products sold, excluding intangible asset amortization	3.5	8.2

Debt Due to Parent

ZimVie had the following debt due to Zimmer Biomet (in millions):

	As of September 30, 2021	As of December 31, 2020
Current Portion of Debt Due to Parent	$ 33.0	$ 17.6
Non-Current Portion of Debt Due to Parent	4.9	4.9

Interest expense recognized on Debt Due to Parent in our condensed combined statements of net earnings was $0.3 million and $0.2 million in the nine-month periods ended September 30, 2021 and 2020, respectively. Refer to Note 13 for further detail.

Net Parent Company Investment

As discussed in the basis of presentation in Note 1, net parent company investment is primarily impacted by contributions from Zimmer Biomet as a result of treasury activities and net funding provided by or distributed to Zimmer Biomet. The components of net parent company investment are:

	For the Nine Months Ended September 30,	
	2021	2020
Cash pooling and general financing activities	$ 48.1	$ 25.6
Corporate cost allocations	(49.4)	(55.0)
Net transactions with Zimmer Biomet reflected in the Condensed Combined Statements of Cash Flows	(1.3)	(29.4)
Share-based compensation expense	(2.9)	(4.9)
Entering into debt without cash exchange	24.4	—
Other non-cash adjustments	(0.5)	4.1
Net transactions with Parent reflected in the Condensed Combined Statements of Changes in Net Parent Investment	$ 19.7	$(30.2)

18. Subsequent events

These condensed combined financial statements were derived from the financial statements of Zimmer Biomet, which issued its annual financial statements for the fiscal year ended December 31, 2020 on February 22, 2021

and its quarterly financial statements for the three and nine-month periods ended September 30, 2021 on November 4, 2021, respectively. Accordingly, the Company has evaluated transactions for consideration as recognized subsequent events in these financial statements through the date of February 22, 2021 and November 4, 2021. Additionally, the Company has evaluated transactions that occurred through January 21, 2022, the date these financial statements were available for issuance, for the purposes of unrecognized subsequent events.

On December 17, 2021, we entered into a credit agreement in connection with the spin off. The credit agreement provides for revolving loans and term loan borrowings. The credit agreement has an initial term of five years after the date on which funds are initially advanced. Borrowings under the credit agreement will bear interest at variable rates. We have not made a draw down under the credit agreement, but expect to borrow $561.0 million concurrently with the separation. Additionally, we expect the credit agreement to be amended prior to the spin-off.