

June 30, 2021

VIA EMAIL

Kosciusko County Board of Commissioners
100 W. Center Street
Warsaw, IN 46580
ATTN: Robert Conley, President [bconley@kcgov.com]
Cary P. Groninger, Vice President [cgroninger@kcgov.com]
Bradford Jackson, Member [bjackson@kcgov.com]

Dear Commissioners:

We write to convey Zimmer Biomet's strong request that the Kosciusko County Board of Commissioners abandon further efforts to prepare and pass ordinances and declarations that negatively impact the business community's ability to attract and retain the best and brightest talent in the Warsaw area. The recruitment challenges that local businesses currently face are well known and, as the largest employer in the county, Zimmer Biomet believes that your recent and contemplated actions further jeopardize our ability to continue to effectively compete in today's global environment.

In the past year, Zimmer Biomet has increasingly grown concerned over the agenda and priorities established and executed by the Commissioners. For example, we believe your recent declarations that Kosciusko County is now both a Constitutional Rights Sanctuary and a Second Amendment Sanctuary, as well as your current proposed action to prohibit or ban the use of Critical Race Theory (CRT) in the county, are unnecessary and outside of your scope of responsibilities. Furthermore, the foregoing declarations are for the most part symbolic and have little practical impact, except for the contemplated CRT ban's adverse effect on the business community, as explained in this letter.

We are hopeful that we can find common ground on pure business and economic considerations. One of the fundamental focus areas under the Commissioners' authority is to foster economic development programs to attract and retain jobs in Kosciusko County, and we assume that you take this responsibility very seriously. As the largest business and employer in the county, Zimmer Biomet is extremely concerned that the imposition of, and the resulting negative publicity associated with, a CRT ban would directly and adversely impact our ability to attract, hire and retain world-class talent in Warsaw. As a leading corporation headquartered in this small community for over 90 years, the policy level actions and pronouncements by the Commissioners and other local governmental bodies have a direct impact on our talent agenda and opportunities. Attracting first-rate talent who will consider moving to our Warsaw site is already quite challenging, so the Commissioners should not compound this problem through unnecessary and highly controversial legislative actions that will only serve to deter a large percentage of potential job applicants, as well as cause many current employees to question their desire to remain in Kosciusko County.

In addition, as a publicly-traded company, our viability and success are heavily dependent on attracting and retaining our global investor base, which is comprised mostly of institutional shareholders. Together with other prominent corporate sustainability topics such as the environment and climate, a large percentage of our current and prospective investors are now

Kosciusko County Board of Commissioners
June 30, 2021
Page 2 of 2

engaging proactively and assertively with Zimmer Biomet on a variety of social issues, including diversity, equity, inclusion and social justice. For many institutional and retail investors, companies' positions, actions and affiliations on these societal issues are dictating where they choose to invest. Based on numerous discussions with our largest shareholders and other members of the investment community over the past year in particular, it is clearly evident that Zimmer Biomet could be penalized significantly in the market for being headquartered in and closely affiliated with a community whose local government has imposed a CRT ban.

Zimmer Biomet would welcome more opportunities to partner constructively with Kosciusko County and the City of Warsaw to promote equality and social justice for all people who want to live and work here. In our view, this is where our collective energy should be spent to build and grow a vibrant and welcoming community that can be a positive example and thrive for generations to come.

In closing, Zimmer Biomet and our executive leadership team appreciate you taking our viewpoints into consideration. As you carry out your duties to protect and grow the local economy and promote job creation and retention, we trust that you will make the right decision and abandon any plans to pass an ordinance prohibiting the use of CRT in Kosciusko County and refrain from continuing to advance an agenda that does not support the growth and expansion of business investment in the Warsaw community.

Sincerely,



Bryan C. Hanson
Chairman, President & CEO



Chad F. Phipps
SVP, General Counsel & Secretary,
Member, Zimmer Biomet Foundation
Board of Directors

cc: Mayor Joseph M. Thallemer, Warsaw, Indiana
Edward Ormsby, Esq., Attorney for the Kosciusko County Board of Commissioners
Rob Parker, President & CEO, Kosciusko Chamber of Commerce
Alan Tio, CEO, Kosciusko Economic Development Corporation