

# **CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS OF ZIMMER HOLDINGS, INC.**

## **Purpose**

The Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Zimmer Holdings, Inc. (the "Company") (1) to assist the Board by identifying individuals qualified to become Board members, and to recommend to the Board the director nominees for each annual meeting of stockholders; (2) to develop and recommend to the Board the Corporate Governance Guidelines applicable to the Company; (3) to lead the Board in its annual review of the Board's performance; and (4) to recommend to the Board director nominees for each committee.

## **Committee Membership**

The Committee shall consist of at least three directors. The members of the Committee shall meet the independence requirements of the New York Stock Exchange.

The members of the Committee and the Chair of the Committee shall be appointed by the Board and may be replaced by the Board. The Committee may form and delegate authority to subcommittees when appropriate, provided the subcommittees are composed entirely of independent directors.

## **Committee Authority and Responsibilities**

1. The Committee shall make recommendations to the Board regarding the size and composition of the Board and develop and recommend to the Board criteria based on the needs of the Board (such as independence, industry or other professional expertise, relevant skills and experience and diversity) for the selection of individuals to be considered as candidates for election to the Board. The Committee shall identify possible nominees who meet such specified objectives. The Committee shall actively seek individuals qualified to become Board members for recommendation to the Board.
2. The Committee shall review nominees suggested by stockholders and advise such stockholders of the outcome of their suggestions. To be considered by the Committee, stockholder nominations must be submitted as prescribed in the Company's Restated By-Laws, as amended.
3. The Committee shall approve and recommend to the Board the director nominees for each annual meeting of stockholders. The Committee shall also recommend to the Board director nominees and the Chair for each committee of the Board.
4. The Committee shall make a recommendation to the Board whether to accept a resignation tendered by an incumbent director who, in an uncontested election, receives more votes "against" than "for" his or her election.

5. The Committee shall develop and recommend to the Board an annual self-evaluation process for the Board and its committees. The Committee shall oversee the annual self-evaluations. The Committee shall report annually to the Board with an assessment of Board and committee performance following the self-evaluations.
6. The Committee shall recommend to the full Board for approval the form and amount of compensation to be paid to non-management directors. The Committee, in cooperation with the Compensation and Management Development Committee, will review director compensation as frequently as the Committee deems it necessary and shall consult with the Compensation and Management Development Committee with respect to any proposed changes in director compensation.
7. The Committee shall review individual director performance from time to time in connection with the decision whether such director should be re-nominated to the Board by examining factors such as experience, business judgment, integrity, time and commitment, teamwork and independence. The Committee shall also review the continued appropriateness of Board and committee memberships following a change in director job responsibilities.
8. The Committee shall develop and recommend to the Board for approval Corporate Governance Guidelines applicable to the Company and shall reassess such guidelines annually and recommend any proposed changes to the Board for approval.
9. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from external legal or other advisors, without consulting or obtaining the approval of the full Board or any officer of the Company in advance.
10. The Committee shall meet at least two times annually, or more frequently as circumstances dictate. The Committee shall meet at least once prior to the time when nominees for the Board are to be determined for inclusion in the proxy statement for the Company's annual meeting of stockholders.
11. The Committee shall make regular reports to the Board.
12. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
13. The Committee shall annually review its own performance.

***Last Reviewed on December 12, 2008***