

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. \_\_)

Filed by the Registrant

☒

Filed by a Party other than the Registrant

☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under §240.14a-12

**ORTHOPEDIATRICS CORP.**

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee paid previously with preliminary materials.

☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.



**ORTHOPEDIATRICS CORP.  
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD JUNE 1, 2022**

We are pleased to notify you that we will hold the 2022 annual meeting of our stockholders on June 1, 2022, at 11:30 a.m., Eastern Time, at The St. Louis Club, Market Room (15th Floor), Pierre Laclede Center, 7701 Forsyth Blvd., St. Louis, Missouri 63105 for the following purposes:

1. To elect four (4) directors, each to serve until the 2025 annual meeting of our stockholders;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2022; and
3. To transact such other business as may properly come before the meeting or any adjournments and postponements thereof.

Our Board of Directors has established the close of business on April 11, 2022 as the “record date” for this annual meeting. This means that you are entitled to vote at this meeting (in person or by legally-appointed proxy) if our stock records show that you owned our Common Shares at that time.

**Under Securities and Exchange Commission rules that allow companies to furnish proxy materials to stockholders over the Internet, we have elected to deliver our proxy materials to all of our stockholders over the Internet. This delivery process allows us to provide stockholders with the information they need, while at the same time conserving natural resources and lowering the cost of delivery. On or about April 22, 2022, we will commence sending to our stockholders a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access our proxy statement for our 2022 annual meeting of stockholders and our 2021 annual report to stockholders. The Notice also provides instructions on how to vote online and includes instructions on how to receive a paper copy of the proxy materials by mail.**

We hope you will be able to attend the annual meeting. Whether you plan to attend the annual meeting or not, it is important that you cast your vote either in person or by proxy. You may vote over the Internet as well as by mail. When you have finished reading the proxy statement, you are urged to vote in accordance with the instructions set forth in this proxy statement. We encourage you to vote by proxy so that your shares will be represented and voted at the meeting, whether or not you can attend.

Thank you for your continued support of OrthoPediatrics Corp. We look forward to seeing you at the annual meeting.

**ORTHOPEDIATRICS CORP.**

**Daniel J. Gerritzen**  
Secretary

April 15, 2022  
Warsaw, Indiana

## TABLE OF CONTENTS

	Page
<a href="#"><u>Introduction</u></a>	<a href="#"><u>1</u></a>
<a href="#"><u>Important Information Regarding the Availability of Proxy Material</u></a>	<a href="#"><u>1</u></a>
<a href="#"><u>Information About the Meeting and Voting</u></a>	<a href="#"><u>1</u></a>
<a href="#"><u>Proposal 1 – Election of Directors</u></a>	<a href="#"><u>5</u></a>
<a href="#"><u>Security Ownership of Certain Beneficial Owners and Management</u></a>	<a href="#"><u>15</u></a>
<a href="#"><u>Executive Officer and Director Compensation</u></a>	<a href="#"><u>18</u></a>
<a href="#"><u>Report of the Audit Committee</u></a>	<a href="#"><u>27</u></a>
<a href="#"><u>Certain Relationships and Related Party Transactions</u></a>	<a href="#"><u>28</u></a>
<a href="#"><u>Proposal 2 – Advisory Vote on the Approval of the Appointment of Independent Registered Public Accounting Firm</u></a>	<a href="#"><u>29</u></a>
<a href="#"><u>Section 16(a): Beneficial Ownership Reporting Compliance</u></a>	<a href="#"><u>30</u></a>
<a href="#"><u>Stockholder Proposals For 2023 Annual Meeting</u></a>	<a href="#"><u>30</u></a>
<a href="#"><u>Annual Report</u></a>	<a href="#"><u>31</u></a>

**PROXY STATEMENT**  
**ANNUAL MEETING OF STOCKHOLDERS OF**  
**ORTHOPEDIATRICS CORP.**  
**to be held June 1, 2022**

**INTRODUCTION**

The Board of Directors of OrthoPediatics Corp. is soliciting proxies from stockholders for its use at the 2022 annual meeting of stockholders, and at any adjournment or adjournments of that meeting. The annual meeting is scheduled to be held on June 1, 2022, at 11:30 a.m., Eastern Time, at The St. Louis Club, Market Room (15th Floor), Pierre Laclede Center, 7701 Forsyth Blvd., St. Louis, Missouri 63105.

To improve readability, OrthoPediatics Corp., which has prepared this proxy statement, will sometimes speak in this document in the first-person (using words such as “we” or “our” or “us”) and will address its stockholders using second-person words (such as “you” or “your”). We will also sometimes refer to OrthoPediatics Corp., as “the Company.” References to the Board of Directors of the Company in this proxy statement will usually be shortened to “our Board.” References to our “Proxy Committee” will refer to Mark C. Throdahl and Daniel J. Gerritzen, who are designated by the proxy cards that accompany this proxy statement as being the persons who are authorized to vote at the annual meeting those shares that are owned of record by stockholders that sign and return such proxy cards.

This proxy statement relates to the solicitation of proxies by our Board of Directors for use at the annual meeting.

**On or about April 22, 2022, we will commence sending the Important Notice Regarding the Availability of Proxy Materials to all stockholders entitled to vote at the annual meeting.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS**

This proxy statement and our 2021 annual report to stockholders are available for viewing, printing and downloading at [www.orthopediatrics.com](http://www.orthopediatrics.com) under the Investors/Financial & Filings page. Additionally, you can find a copy of our Annual Report on Form 10-K, which includes our financial statements, for the fiscal year ended December 31, 2021 on the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov), or at [www.orthopediatrics.com](http://www.orthopediatrics.com) under the Investors/Financial & Filings page. You may also obtain a printed copy of our Annual Report on Form 10-K, including our financial statements, free of charge, from us by following the instructions included on the Important Notice Regarding the Availability of Proxy Materials or by sending a written request to: OrthoPediatics Corp., 2850 Frontier Drive, Warsaw, Indiana 46582, Attention: Secretary.

**INFORMATION ABOUT THE MEETING AND VOTING**

**Purposes of the Meeting**

The purposes of the annual meeting are:

1. To elect four (4) directors, each to serve until the 2025 annual meeting of our stockholders;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2022; and
3. To transact such other business as may properly come before the meeting.

## **Stockholders Entitled to Vote at the Meeting**

Our Board has established the close of business on April 11, 2022 as the “record date” for this annual meeting. This means that you are entitled to vote at this meeting (and any adjournments) if our records show that you owned our Common Shares at that time. As of this record date, 20,229,981 of our common shares were issued and outstanding, held by approximately 206 registered stockholders of record. Each issued and outstanding Common Share as of the record date is entitled to one vote on each matter properly to come before the annual meeting and can be voted only if the record owner of that share, determined as of the record date, is present in person at the meeting or represented by proxy.

## **Voting Shares By Proxy That You Hold In Your Name**

You have two choices:

- 1 VOTE BY INTERNET - <http://www.investorvote.com/KIDS>. Use the Internet to transmit your voting instructions up until 1:00 A.M. Eastern Time on June 1, 2022. Have the Notice in hand when you access the website. Follow the steps outlined on the secured website.
- 2 VOTE BY MAIL – If you requested and received a proxy card by mail, mark, sign and date your proxy card and return it in the postage-paid envelope we will provide or mail it to Proxy Services, c/o Computershare Investor Services, PO Box 43102, Providence, RI 02940-5068.

## **Voting Shares That You Hold in Brokerage or Similar Accounts**

Many stockholders hold their shares through a stockbroker, bank, or other nominee rather than directly in their own name. If you hold your shares in one of these ways, you are considered a beneficial owner, not a record owner, and you therefore have no direct vote on any matter to come before the annual meeting. Your broker, bank, or nominee will send you voting instructions for you to use in directing the broker, bank or nominee in how to vote your shares. Your broker, bank or nominee may allow you to deliver your voting instructions via the telephone or the Internet.

If you hold your shares through a broker and you do not timely provide your broker with specific instructions on how to vote your shares, your broker will not be authorized to cast a vote on your behalf on Proposals 1 and 2. In such cases, a “broker non-vote” may be entered with respect to your shares on Proposals 1 and 2 to reflect that your broker was present with respect to your shares at the meeting but was not exercising voting rights on your behalf with respect to those shares.

## **Your Voting Options on Each of the Proposals**

You may vote “for” or “withhold” (meaning you choose to withhold from our Proxy Committee your authority to vote) with respect to the election of each nominee for director (Proposal 1 on the proxy card).

You may vote “for,” “against” or “abstain” with respect to the proposal on the ratification of the appointment of Deloitte & Touche LLP (Proposal 2 on the proxy card).

If any other matter is presented at the annual meeting, your proxy provides that your shares will be voted by the Proxy Committee in accordance with their best judgment. At the time this proxy statement was first made available, we knew of no matters that needed to be acted on at the annual meeting, other than those discussed in this proxy statement.

## **Our Board’s Voting Recommendations**

Our Board recommends that you vote:

- **FOR** the election as directors of the four individuals named as its nominees in this proxy statement (Proposal 1 on the proxy card);

- **FOR** the approval, on an advisory basis, of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2022 (Proposal 2 on the proxy card).

If any other matter is properly brought before the annual meeting, the Company – through the individuals named in the proxy and acting as our “Proxy Committee,” or their designees, and pursuant to the blanket authorization granted under the proxy – will vote your shares on that matter in accordance with the discretion and judgment of the Proxy Committee.

### **Required Votes to Approve Each Proposal**

Four positions on our Board are scheduled to be filled by vote of the stockholders at the annual meeting. As a stockholder, you are entitled to cast one vote per share for each of up to four nominees for election as directors at the annual meeting, but you may not cumulate your votes (in other words, you may not cast votes representing four times the number of your shares entitled to vote in favor of a single nominee). Directors are elected from among the nominees by a plurality of the votes that are cast among all nominees; this means the individuals whose names are validly placed into nomination at the meeting who receive the four highest number of votes cast “for” their election will be elected as directors of the Company. A properly returned proxy indicating “withhold” with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. “Broker non-votes” will not be counted as votes cast on the proposal and will have no effect on the election of directors.

A majority of the votes cast at the meeting will approve: (i) the proposal to approve the appointment of Deloitte & Touche LLP; and (ii) all other matters that arise at the annual meeting.

Please note, however, that because the vote on the appointment of Deloitte & Touche LLP is advisory in nature, the results of such votes will not be binding upon our Board or its committees.

### **Quorum**

Delaware law provides that any stockholder action at a meeting requires that a quorum exist with respect to that meeting. Once a share is represented for any purpose at a meeting, it is deemed by Delaware law to be present for quorum purposes for the remainder of the meeting and (unless a new record date is or must be set for any such adjournment) any adjournment of that meeting.

A majority of the common shares entitled to vote at this meeting, present either in person or by proxy, will constitute a quorum for all purposes at the meeting. If a quorum should not be present, the annual meeting may be adjourned from time to time until a quorum is obtained.

Shares held of record by stockholders who (in person or by proxy) abstain from voting on any or all proposals (and shares represented by “broker non-votes,” described above under “Voting Shares That You Hold in Brokerage or Similar Accounts”) will be included in the number of shares present at the meeting for purposes of determining the presence of a quorum. However, abstentions and broker non-votes as to any proposal will not be considered to be votes that have been “cast” on that proposal and therefore will not affect the outcome of the vote on any proposals described by this proxy statement.

### **Voting on Possible Other Matters**

We are not aware that any person intends to propose that any matter, other than the two numbered proposals specifically described by this proxy statement, be presented for consideration or action by our stockholders at our annual meeting. If any such other matter should properly come before the meeting, however, favorable action on such matter would generally require the affirmative vote of a majority of the votes cast, unless our certificate of incorporation or bylaws or applicable law require otherwise. If you vote by proxy, you will be

granting our Proxy Committee authority to vote your shares on any such other matter in accordance with their discretion and judgment.

#### **Revocation of Proxies or Voting Instructions**

A stockholder of record who has delivered a proxy card in response to this solicitation may revoke it before it is exercised at the annual meeting by executing and delivering a timely and valid later-dated proxy, by voting by ballot at the meeting or by giving written notice to the Secretary. If a stockholder of record has voted via the Internet, such stockholder may also change that vote with a timely and valid later Internet vote or by voting at the meeting by ballot. Attendance at the meeting will not have the effect of revoking a proxy unless a stockholder gives proper written notice of revocation to the Secretary before the proxy is exercised or the stockholder votes by ballot at the meeting. Beneficial owners who have directed their broker, bank or nominee as to how to vote their shares should contact their broker, bank or nominee for instructions as to how they may revoke or change those voting directions.

#### **Solicitation of Proxies**

Our Board is making this solicitation of proxies for our annual meeting. Our Company will bear all costs of such solicitation, including the cost of preparing and distributing this proxy statement and the enclosed form of proxy. After the initial distribution of this proxy statement, proxies may be solicited by mail, telephone, facsimile transmission or personally by directors, officers, employees or agents of the Company. Brokerage houses and other custodians, nominees and fiduciaries will be requested to forward soliciting materials to beneficial owners of shares held by them for the accounts of beneficial owners, and we will pay their reasonable out-of-pocket expenses.

#### **Smaller Reporting Company and Emerging Growth Company**

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and will remain as such until December 31, 2022. As both an "emerging growth company" and as a "smaller reporting company" under applicable federal securities laws, and as permitted under the JOBS Act, we have scaled down our disclosures on executive compensation to omit compensation discussion and analysis and certain other disclosures that would otherwise be required in a proxy statement on Schedule 14A. In addition, for as long as we remain an emerging growth company, we are not required to conduct votes seeking approval, on an advisory basis, of the compensation of our named executive officers or the frequency with which such votes must be conducted.

**PROPOSAL 1**  
**ELECTION OF DIRECTORS**

Our Board currently consists of eleven (11) directors who are divided into three classes. Directors in each class serve a three-year term. The terms of each class expire at successive annual meetings so that the stockholders elect one class of directors at each annual meeting. Pursuant to that certain Stockholders' Agreement, dated October 16, 2017, between Squadron Capital LLC ("Squadron") and the Company (the "Stockholders' Agreement"), Squadron has caused the Company to nominate three (3) individuals to serve as directors. The persons nominated by Squadron are designated as "Squadron Directors" below. The current classification of our Board is:

Terms expiring at this annual meeting: Fred L. Hite, Bryan W. Hughes, Mark C. Throdahl and Samuel D. Riccitelli

Terms expiring at the 2023 annual meeting: David R. Pelizzon (Squadron Director), Harald Ruf (Squadron Director), Terry D. Schlotterback and Kevin L. Unger

Terms expiring at the 2024 annual meeting: David R. Bailey, Stephen F. Burns and Marie C. Infante (Squadron Director)

Our Board, on the recommendation of its Corporate Governance Committee, has nominated Mr. Hite, Mr. Hughes, Mr. Throdahl and Mr. Riccitelli for re-election at this year's annual meeting. If re-elected, each of these four nominees will serve on our Board until the 2025 annual meeting, or until his or her successor is duly elected and qualified in accordance with the Company's bylaws. If any of these nominees should become unable to accept election, our Proxy Committee may vote for other person(s) selected by our Board. Our Board has no reason to believe that any of the nominees will be unable to accept election.

Below is certain information concerning our Board's nominees for election at this year's annual meeting, followed by information concerning those Board members who are not standing for election this year and whose term of office will continue after the annual meeting. The biographies of each of the nominees and continuing directors below contain information regarding the experiences, qualifications, attributes or skills that caused the Corporate Governance Committee and our Board to determine that the person should be re-elected (or should continue to serve even if not standing for re-election) as a director for the Company in 2022.

Following the director biographies is information concerning our corporate governance structure, including descriptions of the standing committees of our Board, namely our Audit, Compensation and Corporate Governance Committees. The directors serving on each committee are listed in the descriptions below. Our directors may also serve on other committees of our Board and the board of directors of the Company's subsidiaries that are not required to be described by this proxy statement and which are therefore not identified in the information below.

Elsewhere in this proxy statement you will find information concerning the numbers of our common shares that are beneficially owned by each of our directors (see "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT") and information regarding the compensation of our directors (see "EXECUTIVE AND DIRECTOR COMPENSATION"). We urge you to review all of this information when deciding how to vote on Proposal 1.

---

**Our Board recommends that you vote FOR all four of the nominees named below.**

---



**The following persons have been nominated for election to the Board:**

**Nominees for Election at this Annual Meeting (with Terms to Expire at the 2025 Annual Meeting)**

*Fred L. Hite*, 54, has served as our Chief Financial Officer since February 2015, and Chief Operating Officer since June 2020, and as a director since August 2015. Prior to joining our company, from 2004 through 2014, Mr. Hite served as the Chief Financial Officer and Investor Relations Officer of Symmetry Medical Inc., or Symmetry, a company previously listed on the New York Stock Exchange. Prior to joining Symmetry, Mr. Hite spent 13 years with General Electric Corporation in a variety of financial positions and areas including commercial, manufacturing, sourcing and services. Mr. Hite earned a Bachelor of Science in Finance from the Indiana University Kelley School of Business. We believe Mr. Hite's financial acumen and public company management experience qualify him to serve on our board of directors.

*Bryan W. Hughes*, 44, has served as a director since 2012. Mr. Hughes is the Managing Director and Group Head of Medical Technology Investment Banking at P&M Corporate Finance, LLC, an investment bank providing merger and acquisition services to companies throughout North America and Europe, a position he has held since 2008. Mr. Hughes earned a B.B.A. with an emphasis in Finance and Accounting from the Stephen M. Ross School of Business at the University of Michigan. Mr. Hughes is a licensed securities representative, holding Series 7 and 63 registrations. We believe Mr. Hughes's experience advising private and public medical technology companies in strategic, financial and transaction related matters qualifies him to serve on our board of directors.

*Samuel D. Riccitelli*, 63, has served as a director since December 2017. Mr. Riccitelli has served as a board director for Biocept, Inc. (Nasdaq: BIOC) since October 2020, Chairman of the Board since July 2021 and interim President and CEO since February 2022. From 2019 to 2020 he served as Chief Executive Officer of Pathnostics, a privately-owned infectious disease diagnostics company. From 2017 to 2019, Mr. Riccitelli served as Chairman of the Board of Directors of Precipio, Inc. (Nasdaq: PRPO). From 2012 to 2017, Mr. Riccitelli served as President and Chief Executive Officer and a Director of Signal Genetics, Inc., a publicly traded molecular diagnostic company that was ultimately sold to Miragen Therapeutics, Inc. Mr. Riccitelli was also previously the Executive Vice President and Chief Operating Officer of Genoptix, Inc., a publicly traded diagnostic company that was sold to Novartis in 2011. We believe Mr. Riccitelli's extensive experience with healthcare companies, particularly emerging companies, qualifies him to serve on our board of directors.

*Mark C. Throdahl*, 71, has served as our Executive Chairman since 2021. Prior to his transition to Executive Chairman, Mr. Throdahl previously served as our Chief Executive Officer from January 2011 until June 2021, and President until June 2020, and has served as a director since 2009. Prior to joining our company, Mr. Throdahl served from 2008 to 2009 as a Group President of Zimmer Holdings, Inc., a worldwide leader in orthopedic implants. Mr. Throdahl previously served from 2001 to 2007 as the Chief Executive Officer and Director of Consort Medical plc in London, United Kingdom. During a 13 year career at Becton Dickinson & Co., he served as Senior Vice President of the Drug Delivery sector and President of Nippon Becton Dickinson in Tokyo. Mr. Throdahl began his career at Mallinckrodt, Inc. Mr. Throdahl is a graduate of Princeton University and earned an MBA from Harvard Business School. We believe Mr. Throdahl's leadership of both large organizations and growing businesses qualifies him to serve on our board of directors.

**The following persons will continue as directors:**

**Continuing Directors of the Class with Terms Expiring at the 2023 Annual Meeting**

*David R. Pelizzon*, 66, has served as a director since 2011. Mr. Pelizzon was nominated pursuant to the Stockholders' Agreement with Squadron Capital LLC. Mr. Pelizzon is the President of Squadron and a member of its Managing Committee, positions he has held since 2008. Since June 2020, Mr. Pelizzon has also served as a director of Alphatec Holdings, Inc. (Nasdaq: ATEC), a medical technology company focused on the design, development, and advancement of technology for the surgical treatment of spinal disorders. Prior to joining Squadron, Mr. Pelizzon was the Managing Director of Precision Edge Surgical Products Company from 2005 to 2008. Mr. Pelizzon is a retired U.S. Army officer who served nearly 30 years on active duty in airborne and special

operations units. Mr. Pelizzon is a graduate of the U.S. Military Academy and earned advanced degrees from Harvard University and the U.S. Naval War College. We believe Mr. Pelizzon's leadership and management experience qualify him to serve on our board of directors.

*Harald Ruf*, 68, has served as a director since April 2017. Mr. Ruf was nominated pursuant to the Stockholders' Agreement with Squadron Capital LLC. Mr. Ruf has worked for Squadron since 2014, first as Chief Financial Officer and currently as Chief Operating Officer. Mr. Ruf served on the board of directors of Chromogenex Limited, based in the United Kingdom, from 2014 to 2016. From 2010 to 2016, Mr. Ruf served as a Managing Partner of Teuscher Ruf & Walpole, LLC, an accounting firm providing tax, audit and consulting services. He is also the President and Chief Executive Officer of Ruf & Associates, LLC, a consulting firm that he founded in 1982. During his career, he has co-founded a number of successful companies across several industries. Mr. Ruf is a graduate of Brigham Young University, where he earned a Bachelor of Science in Accounting, and he is a licensed certified public accountant in the States of California and Utah. Mr. Ruf has served as an officer and board member for local and national companies and associations and has been recognized nationally for such service. We believe Mr. Ruf's 35 years of executive level experience in several industries, including medical device manufacturing, qualifies him to serve on our board of directors.

*Terry D. Schlotterback*, 66, has served as a director since 2009 and was appointed as Lead Independent Director in June 2021, while previously serving as Chairman of the board of directors from September 2013 to June 2021. Mr. Schlotterback was also employed by us from February 2009 to February 2010. Prior to joining our board of directors, Mr. Schlotterback worked for Zimmer from 1982 to 1992 and from 1996 to 2006, where he served in various leadership positions in sales, marketing and research and development, including as President of the Trauma and Spinal divisions. Prior to joining Zimmer, Mr. Schlotterback served in senior management roles for Mitek Surgical Products from 1992 to 1995. Mr. Schlotterback is a founder of the Warsaw, Indiana chapter of VisionTech Angels, an investment group, and TDS Consulting, LLC, which provides consulting services to medical startup companies. Mr. Schlotterback also serves as Chairman of the Board for Nextremity Products Inc. and as an Advisor for Ignite Orthopedics Inc. Mr. Schlotterback earned a Bachelor of Science in Mechanical Engineering Technology from Purdue University. We believe Mr. Schlotterback's extensive experience in the medical device field qualifies him to serve on our board of directors.

*Kevin L. Unger*, 50, has served as a director since 2011. Mr. Unger is currently the Global General Manager of Zimmer Biomet, a leading medtech company, a position he has held since 2020. He served as the Chief Executive Officer of Incisive LLC, a company specializing in Healthcare Artificial Intelligence and Data Analytics in the Operating Room; and prior to that as CEO of Columbia Nutritional from 2016 to 2019. Prior to these positions, he served as the Global President of Orthofix International N.V., a spinal implant and biologics business, from 2009 to 2011. Mr. Unger held various roles for Stryker Corporation from 1994 to 2009, ultimately becoming a Vice President and General Manager in the MedSurg division. We believe Mr. Unger's experience as an operator of both small private companies and large public businesses, as well as his experience in the orthopedic industry, qualifies him to serve on our board of directors.

#### **Continuing Directors of the Class with Terms Expiring at the 2024 Annual Meeting**

*Stephen F. Burns*, 78, has served as a director since April 2017. Mr. Burns served as President and Chief Executive Officer of Wheaton Van Lines, Inc. from 1987 until his retirement in 2009. Prior to running Wheaton Van Lines, Mr. Burns was a practicing attorney for over 20 years. He has over 40 years of professional and legal experience in the Indianapolis area. He has been the Chairman of the Board of Directors of Wheaton Van Lines since 1987 and Chairman of the Board of Directors of Bekins Van Lines, Inc. since 2002. Mr. Burns has been active in many professional, social and civic organizations throughout his career. In 2006, he was recognized by Ernst and Young LLP as Entrepreneur of the Year for the State of Indiana. In 2008, he received a lifetime achievement award from the American Moving & Storage Association. Mr. Burns earned a Bachelor of Arts from Denison University and a JD from the Indiana University Maurer School of Law. We believe Mr. Burns' extensive professional and legal experience qualifies him to serve on our board of directors.

Marie C. Infante, 72, has served as a director since 2014. Ms. Infante was nominated pursuant to the Stockholders’ Agreement with Squadron Capital LLC. Her prior experience as a director includes educational, non-profit, and professional organizations. Ms. Infante has more than 25 years of experience as a healthcare lawyer and a certified compliance professional. Since 2013, she has been an active consultant and senior advisor in the healthcare industry. Recent affiliations have included Avalon Healthcare Services, Zimmet Healthcare Services Group, Triple Tree Capital Partners and BDO Center for Healthcare Excellence and Innovation. From 2006 to 2013, she served as the Senior Vice President, Chief Compliance Officer and General Counsel for Healthcare Law for a \$3 billion leader in post-acute healthcare services whose 42,000 employees cared for over 60,000 patients annually. Her industry expertise also stems from 15 years as a clinical specialist in orthopedic nursing. Ms. Infante is a graduate of the University of Maryland, where she earned a Bachelor of Science in Nursing and a Master of Science. She also holds an MBA from Loyola University and a JD from the Catholic University of America. We believe Ms. Infante’s clinical orthopedic experience and knowledge as a healthcare lawyer and compliance expert qualify her to serve on our board of directors.

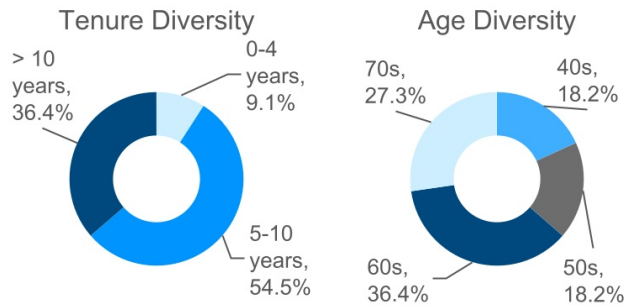
David R. Bailey, 43, was appointed to serve as the Company’s President and CEO effective June 1, 2021, and as a director effective November 3, 2021. He joined OrthoPediatics in 2007 and has spent most of his career helping build the company from its early start-up days, to a publicly traded company. During his tenure, David has held multiple leadership positions of increasing responsibility, including Domestic and International Sales, Operations and oversight of the Trauma & Deformity Correction and Scoliosis business units. As an early employee in the Company’s life cycle, Dave was instrumental in setting the strategic agenda for the Company, raising start-up capital, championing new product development, and establishing a global distribution network. Prior to joining the Company, Dave worked as a Sales Representative and Independent Distributor for Smith & Nephew Orthopaedics. He attended Purdue University in Lafayette and holds a Bachelor of Science in Sales and Sales Management. He has continued his education at the Harvard Business School, where in 2020, he completed the Professional Leadership Development program.

**Board Diversity Matrix (as of April 15, 2022):**

The following table summarizes certain self-identified characteristics of our directors in accordance with Nasdaq Listing Rules 5605(f) and 5606. Each term used in the table has the meaning given to it in the Rules and related instructions.

Race / Ethnicity	Female	Male
White	1	10

The Board of Directors understands the value of diversity and will increase the diversity of the Board over the next 18 months. The Governance Committee has engaged a global recruiting firm to assist in adding two diverse Board candidates. We will continue to analyze the diversity of our board structure. In addition to the demographic information required in the matrix above, the Company also analyzes diversity of the board with other demographic data as evidenced in the following charts:



### Oversight of Environmental, Social and Governance ("ESG") Matters

OrthoPediatrics was founded on the cause of impacting the lives of children with orthopedic conditions. Since inception we have impacted the lives of over 234,000 children. We believe we should continue to expand our social efforts while minimizing our impact to the environment and ensuring corporate governance. The Company's ESG team supports these efforts related to environmental, health and safety, corporate social responsibility, corporate governance, and other public policy matters relevant to the Company.

In 2021 we took the following initial steps to develop our ESG efforts:

- Created an ESG team, led by our COO and CFO, and reports to our Governance Committee
- Completed an ESG priorities assessment to identify those issues of greatest importance to our stakeholders
- Education of management, employees and Board of Directors
- Completed an initial ESG disclosure and metric assessment using the Morgan Stanley Capital International (MSCI) and Sustainability Accounting Standards Board (SASB) frameworks to assist in our data aggregation and reporting efforts

We encourage you to review our ESG page under the "About" section of our corporate website for more detailed information regarding our ESG efforts and current initiatives. On our website, among other information, are the following highlights:

- OrthoPediatrics cares about our environmental impact while working in a highly regulated industry and we are certified according to ISO 13485.
- The Company and its associates regularly participate in philanthropic causes important to our local communities. We also partner with charitable organizations that provide pediatric orthopedic care around the world. In 2020 we were named as "Corporate Partner of the Year" by the World Pediatric Project - with whom we work to provide access to medical care for children in developing countries.
- We are committed to fostering an environment that is respectful, compassionate, and inclusive of everyone in our community.
- Cybersecurity continues to be a top priority; we have increased internal awareness and training while leveraging third-party providers to assist in safeguarding the Company.

We believe effectively managing our priorities, as well as increasing our transparency related to ESG programs, will help create long-term value for our stakeholders. We expect to increase our disclosures and communicate our ESG efforts in future SEC filings.

### **Board Leadership Structure**

Our Board is currently led by its Executive Chairman, Mr. Throdahl. Our Board recognizes that it is important to determine an optimal board leadership structure to ensure the independent oversight of management as the Company continues to grow. We separate the roles of Chief Executive Officer and chairman of the board in recognition of the differences between the two roles. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Executive Chairman provides guidance to the Chief Executive Officer and presides over meetings of the full Board. We believe this separation of responsibilities provides a balanced approach to managing the Board and overseeing the Company. However, because Mr. Throdahl just recently transitioned from the role of Chief Executive Officer to Executive Chairman effective June 3, 2021, the directors of the Board appointed Mr. Schlotterback, the Board's former Chairman, to serve as Lead Independent Director.

The Lead Independent Director is empowered to, among other duties and responsibilities, assist the Board of Directors in assuring effective corporate governance and to serve as chairperson of meetings of the independent directors that are held without the presence of any directors who may at that time be deemed not to be independent. As a result, while the Company's Corporate Governance Guidelines do not require a Lead Independent Director, the Board believes that, at this time, the Lead Independent Director can help ensure the effective independent functioning of the Board in its oversight responsibilities. Furthermore, in light of the Executive Chairman's extensive history with and knowledge of the Company, and because of the role of the Lead Independent Director in the Board's leadership and in reinforcing its independence, the Board believes that it is advantageous for the Company to have Mr. Throdahl serve as Executive Chairman.

While our Board has concluded that the current leadership structure is appropriate at this time, it will continue to periodically review its leadership structure and will make such changes in the future as it deems appropriate.

### **Director Independence**

Our Board of Directors currently consists of eleven (11) members. Our Board has determined that Mr. Burns, Mr. Hughes, Ms. Infante, Mr. Riccitelli, Mr. Schlotterback, and Mr. Unger are independent directors in accordance with the listing requirements of the Nasdaq Global Market ("Nasdaq"). The Nasdaq independence definition includes a series of objective tests, including that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his or her family members has engaged in various types of business dealings with us. In addition, as required by Nasdaq rules, our Board has made a subjective determination as to each independent director that no relationships exist, which, in the opinion of our Board, would interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our Board reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers.

### **Role of Board in Risk Oversight Process**

Our Board has responsibility for the oversight of the Company's risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from Board committees and members of senior management to enable our Board to understand the Company's risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The Audit Committee reviews information regarding liquidity and operations and oversees our management of financial risks. Periodically, the Audit Committee reviews our policies with respect to risk assessment, risk management, loss prevention and regulatory compliance. Oversight by the Audit Committee includes direct communication with our external auditors and discussions with management regarding significant risk exposures and the actions management has taken to limit, monitor or control such exposures. The Compensation Committee is responsible for assessing whether any of our compensation policies or programs has the potential to encourage excessive risk-taking. The Corporate Governance Committee manages risks associated with the independence of the Board, corporate disclosure practices, and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks. Matters of significant strategic risk are considered by our Board as a whole.

The Company's management also keeps our Board informed of cybersecurity developments by providing periodic updates on preventive measures being taken to avoid attacks. As the Company reviews and updates its cybersecurity plans and policies over time, it will continue to take the steps necessary to ensure effective Board oversight of this area and will provide disclosures relating to such oversight that are consistent with the SEC's recent "Statement and Guidance on Public Company Cybersecurity Disclosures."

#### **Committees and Attendance**

Our Board held six meetings during 2021. During that time, no member of the Board attended fewer than 75% of the aggregate of (i) the total number of meetings of our Board (held during the period for which he or she was a director), and (ii) the total number of meetings held by all committees of the Board on which he or she served (held during the period that such director served).

Our Board has established three standing committees – Audit, Compensation and Corporate Governance –each of which operates under a charter that has been approved by our Board.

##### ***Audit Committee***

Mr. Hughes, Mr. Riccitelli, and Mr. Unger comprise our Audit Committee. Mr. Hughes serves as the chairperson of the committee. All members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and Nasdaq. Our Board has determined that Mr. Hughes is an "audit committee financial expert" as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable rules and regulations of Nasdaq. Our Board has determined that each of Mr. Hughes, Mr. Riccitelli and Mr. Unger is independent under the applicable rules and regulations of Nasdaq and meets the independence requirements contemplated by Rule 10A-3 under the Exchange Act. The Audit Committee operates under a written charter that satisfies the applicable standards of the SEC and Nasdaq.

The Audit Committee's main function is to oversee our accounting and financial reporting processes and the audits of our financial statements. This committee's responsibilities include, among other things: appointing our independent registered public accounting firm; evaluating the qualifications, independence and performance of our independent registered public accounting firm; approving the audit and non-audit services to be performed by our independent registered public accounting firm; reviewing the design, implementation, adequacy and effectiveness of our internal accounting controls and our critical accounting policies; discussing with management and the independent registered public accounting firm the results of our annual audit and the review of our quarterly unaudited financial statements; reviewing, overseeing and monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters; reviewing on a periodic basis, or as appropriate, any investment policy and recommending to our Board any changes to such investment policy; reviewing with management and our auditors any earnings announcements and other public announcements regarding our results of operations; preparing the report that the SEC requires in our annual proxy statement; reviewing and approving any related person transactions and reviewing and monitoring compliance with our code of business conduct and ethics; and reviewing and evaluating, at least annually, the performance of the Audit Committee and its members, including compliance of the Audit Committee with its charter.

Please also see the report of the Audit Committee set forth elsewhere in this proxy statement.

#### ***Compensation Committee***

Mr. Schlotterback and Mr. Unger comprise our Compensation Committee. Mr. Schlotterback serves as the chairperson of the committee. Our Board has determined that each of Mr. Schlotterback and Mr. Unger is independent under the applicable rules and regulations of Nasdaq and is a “non-employee director” as defined in Rule 16b-3 under the Exchange Act. The Compensation Committee operates under a written charter, which the Compensation Committee reviews and evaluates at least annually.

The Compensation Committee reviews and approves policies relating to compensation and benefits of our officers and employees. The Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives and approves the compensation of these officers based on such evaluations. The Compensation Committee also reviews and approves the issuance of restricted stock and other awards under our equity incentive plan. The Compensation Committee reviews and evaluates, at least annually, the performance of the Compensation Committee and its members, including compliance by the Compensation Committee with its charter.

#### ***Corporate Governance & Nominating Committee***

Ms. Infante, Mr. Burns, and Mr. Riccitelli comprise our Corporate Governance Committee. Ms. Infante serves as the chairperson of the committee. Our Board has determined that each member of our Corporate Governance Committee is independent under the applicable rules and regulations of Nasdaq. The Corporate Governance Committee operates under a written charter, which the Corporate Governance Committee will review and evaluate at least annually.

The Corporate Governance Committee is responsible for making recommendations to our Board regarding candidates for directorships and the size and composition of the Board. In addition, the Corporate Governance Committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our Board concerning governance matters.

In 2021, we created an internal ESG team, which reports directly to the Corporate Governance Committee, to identify ESG topics for disclosure by assessing both the impact on our businesses and the importance to our stakeholders.

#### **Compensation Committee Interlocks and Insider Participation**

From February 2009 to February 2010, Mr. Schlotterback served as an officer of our company. No other member of our Compensation Committee has ever been one of our officers or employees. None of our executive officers currently serves, or has served, as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

#### **Code of Ethics and Business Conduct Policy**

We have adopted a written code of ethics and business conduct policy that applies to our directors, officers and employees, including our principal executive officer and principal financial and accounting officer. Our code of ethics and business conduct policy is available under the Investors/Corporate Governance page of our website, [www.orthopediatrics.com](http://www.orthopediatrics.com). In addition, we will post on our website all other disclosures that are required by law or the listing standards of Nasdaq concerning any amendments to, or waivers from, any provision of the code and policy.

## Corporate Governance Guidelines

Our Board has adopted corporate governance guidelines in order to assist in the exercise of the Board's duties and responsibilities and to serve the best interests of the Company and our stockholders. These guidelines, which provide a framework for the conduct of our Board's business, provide that:

- the business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees;
- each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities, including becoming and remaining well-informed about the Company's business and operations and general business and economic trends affecting the Company;
- a majority of the members of our Board shall be independent directors;
- the independent directors meet at least twice a year in executive session;
- directors have full and free access to the Company's management;
- the Board and each committee of the Board have the power to hire and consult with independent advisors; and
- new directors participate in an orientation program and all directors are expected to participate in continuing director education on an ongoing basis.

Our corporate governance guidelines are available under the Investors/Corporate Governance page of our website, [www.orthopediatrics.com](http://www.orthopediatrics.com).

## Director Nomination Process

In considering whether to recommend any particular candidate for inclusion in our Board's slate of recommended director nominees, our Corporate Governance Committee expects every nominee to have a high level of personal and professional integrity, strong ethics and values and the ability to make mature business judgments. We also value experience on other public company boards of directors and board committees.

The biography for each of the director nominees included herein indicate each nominee's experience, qualifications, attributes and skills that led our Corporate Governance Committee and our Board to conclude each such director should continue to serve as a director of our company. Our Corporate Governance Committee and our Board believe that each of the nominees has the individual attributes and characteristics required of each of our directors, and the nominees as a group possess the skill sets and specific experience desired of our Board as a whole.

Our Corporate Governance Committee does not have a policy (formal or informal) with respect to diversity, but believes that our Board, taken as a whole, should embody a diverse set of skills, experiences and backgrounds. In this regard, the committee also takes into consideration the value of diversity (with respect to gender, ethnicity and other factors) of our Board members. The committee does not make any particular weighting of diversity or any other characteristic in evaluating nominees and directors.

Stockholders have the right under our bylaws to directly nominate director candidates for election at an annual meeting of stockholders, without any action or recommendation on the part of the Corporate Governance Committee or our Board of Directors, by submitting to the Company (i) the name of each director nominee, together with appropriate biographical information and background materials, (ii) information with respect to the stockholder or group of stockholders making the nomination, including the number of shares of common stock owned by such stockholder or group of stockholders, and (iii) a representation as to whether such stockholder will be or is part of a group that will deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Company's outstanding capital stock required to elect the nominee, and by otherwise complying with the requirements of our bylaws. Such information should be submitted to: OrthoPediatrics Corp., 2850 Frontier Drive, Warsaw, Indiana 46582. Pursuant to an agreement with the Company, Squadron has the right to designate up



to four nominees for election to the Company's Board of Directors, depending on the percentage of capital stock beneficially owned by Squadron. Currently, three members of the Company's Board are Squadron designees.

**Communication with Directors and Director Attendance at Annual Meetings**

Any stockholder desiring to communicate with our Board, or one or more of our directors, may send a letter addressed to the Board of Directors, OrthoPediatrics Corp., 2850 Frontier Drive, Warsaw, Indiana 46582, Attention: Secretary. The Secretary will review and forward to the appropriate members of the Board copies of all such correspondence that, in the opinion of the Secretary, deals with the functions of the Board or its committees or that the Secretary otherwise determines requires their attention. Concerns relating to accounting, internal controls or auditing matters will be brought promptly to the attention of the chairman of the Audit Committee.

Our Board has adopted a resolution that declares that it is the policy of the Board that all members of the Board, regardless of whether they are standing for re-election at any such meeting, are strongly encouraged to attend each annual meeting of the stockholders of the Company that occurs during their tenure on our Board.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table and accompanying footnotes set forth information with respect to the beneficial ownership of our common stock by:

- each person known by us to beneficially own more than 5% of our common stock;
- each of our named executive officers;
- each of our directors (including the director nominees); and
- all of our directors and executive officers as a group,

based upon 20,229,981 shares of common stock outstanding as of April 11, 2022.

Beneficial ownership is determined under the SEC rules and regulations and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe each stockholder identified in the table possesses sole voting and investment power over all shares of equity securities shown as beneficially owned by the stockholder.

Shares of common stock subject to options that are currently exercisable or exercisable within 60 days of the date of April 11, 2022 are considered outstanding and beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Except as otherwise indicated, the address of each beneficial owner listed below is c/o OrthoPediatrics Corp., 2850 Frontier Drive, Warsaw, Indiana 46582.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned
<b>5% or Greater Stockholders:</b>		
Squadron Capital LLC <sup>(1)</sup>	5,376,764	26.6%
Brown Capital Management, LLC <sup>(2)</sup>	2,698,315	13.3%
Riverbridge Partners LLC <sup>(3)</sup>	1,105,273	5.5%
<b>Named Executive Officers and Directors:</b>		
David R. Pelizzon <sup>(4)</sup>	5,399,889	26.7%
Mark C. Throdahl <sup>(5)</sup>	155,636	*
David R. Bailey <sup>(6)</sup>	105,505	*
Fred L. Hite <sup>(7)</sup>	75,722	*
Gregory A. Odle <sup>(8)</sup>	75,929	*
Daniel J. Gerritzen <sup>(9)</sup>	38,842	*
Joseph W. Hauser <sup>(10)</sup>	38,698	*
Harald Ruf <sup>(11)</sup>	19,980	*
Terry D. Schlotterback <sup>(12)</sup>	17,854	*
Stephen F. Burns <sup>(13)</sup>	12,600	*
Bryan W. Hughes <sup>(14)</sup>	7,074	*
Kevin L. Unger <sup>(15)</sup>	6,074	*
Samuel D. Riccitelli <sup>(16)</sup>	4,943	*
Marie C. Infante <sup>(17)</sup>	5,600	*
All executive officers and directors as a group (14 persons) <sup>(18)</sup>	5,964,346	29.5%

\* Represents beneficial ownership of less than 1% of our outstanding common stock.

- (1) Based in part on information contained in a Schedule 13D files made by Squadron Capital LLC with the SEC. Squadron Capital LLC is the record owner of 5,376,764 shares of common stock. Squadron Capital LLC is a manager-managed limited liability company. Its voting and investment decisions are made by its managing committee, consisting of Jennifer N. Pritzker and David R. Pelizzon. In such capacity, each of Ms. Pritzker and Mr. Pelizzon may be deemed to beneficially own the shares of common stock held directly by Squadron Capital LLC. Mr. Pelizzon is a director of the Company and owns 20,324 shares of common stock and 2,801 restricted shares that Mr. Pelizzon has the ability to vote, but is restricted from transferring until their vesting date. In addition to the Squadron Capital LLC holdings, Ms. Pritzker owns 10,900 shares of common stock directly and 3,807 shares of common stock indirectly through other affiliated persons and foundations. Squadron Capital LLC is a subsidiary of and controlled by Squadron Capital Holdings LLC. In such capacity, Squadron Capital Holdings LLC may be deemed to beneficially own the shares of common stock held directly by Squadron Capital LLC. The voting and investment decisions of Squadron Capital Holdings LLC are made by its managing committee, consisting of Mary Parthe, David Pelizzon and Michelle Nakfoor. The members of the managing committee of Squadron Capital Holdings LLC disclaim beneficial ownership as a result of serving as members of the managing committee. The address of the principal business and principal office of each of Squadron Capital LLC and Mr. Pelizzon is 18 Hartford Rd., Granby, CT 06035. The address of the principal business and principal office of each of Squadron Capital Holdings LLC and Ms. Pritzker is 104 S. Michigan Ave., Chicago, IL 60603.
- (2) According to a Schedule 13G/A filed with the SEC on February 14, 2022, Brown Capital Management, LLC, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E), beneficially owned these shares as of December 31, 2021, with 1,361,033 of such shares being held in The Brown Capital Management Small Company Fund, a registered investment company, which is managed by Brown Capital Management, LLC. Brown Capital Management, LLC reported that it has sole voting power with respect to 1,678,312 shares and sole dispositive power with respect to 2,698,315 shares. The address or principal office of each of Brown Capital Management, LLC and The Brown Capital Management Small Company Fund is 1201 N. Calvert Street, Baltimore, MD 21202.
- (3) According to a Schedule 13G filed with the SEC on January 21, 2022, Riverbridge Partners LLC, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E), beneficially owned these shares as of December 31, 2021. Riverbridge Partners LLC reported that it has sole voting power with respect to 695,758 shares and sole dispositive power with respect to 1,105,273 shares. The address or principal office of Riverbridge Partners LLC is 80 South Eighth St., Suite 1200, Minneapolis, MN 55402.
- (4) Consists of 20,324 shares of common stock directly owned by Mr. Pelizzon and 5,376,764 shares of common stock owned by Squadron Capital LLC. Mr. Pelizzon is the President of Squadron and a member of its management committee. Mr. Pelizzon disclaims beneficial ownership of the shares and shares underlying options held by Squadron, except to the extent of his pecuniary interests therein. Also includes 2,801 restricted shares that Mr. Pelizzon has the ability to vote, but is restricted from transferring until their vesting date.
- (5) Includes 25,689 restricted shares that Mr. Throdahl has the ability to vote, but is restricted from transferring until their vesting date and 22,497 shares held in the Josephine Throdahl Living Trust which Mr. Throdahl is the trustee.
- (6) Includes 31,259 restricted shares that Mr. Bailey has the ability to vote, but is restricted from transferring until their vesting date.
- (7) Includes 41,004 restricted shares that Mr. Hite has the ability to vote, but is restricted from transferring until their vesting date.
- (8) Includes options to acquire 804 shares of common stock and 25,830 restricted shares that Mr. Odle has the ability to vote, but is restricted from transferring until their vesting date.
- (9) Includes 25,073 restricted shares that Mr. Gerritzen has the ability to vote, but is restricted from transferring until their vesting date.

- (10) Includes 23,415 restricted shares that Mr. Hauser has the ability to vote, but is restricted from transferring until their vesting date.
- (11) Includes 11,980 shares held by Ruf Enterprises, LLC, which is controlled by Mr. Ruf and his son, each having 50 percent ownership, 5,199 shares held by the Donna Ruf DAP Trust which Mr. Ruf is the trustee and 2,801 restricted shares that Mr. Ruf has the ability to vote, but is restricted from transferring until their vesting date.
- (12) Includes options to acquire 1,340 shares of common stock and 2,801 restricted shares that Mr. Schlotterback has the ability to vote, but is restricted from transferring until their vesting date.
- (13) Includes 2,801 restricted shares that Mr. Burns has the ability to vote, but is restricted from transferring until their vesting date.
- (14) Includes options to acquire 670 shares of common stock and 2,801 restricted shares that Mr. Hughes has the ability to vote, but is restricted from transferring until their vesting date.
- (15) Includes options to acquire 474 shares of common stock and 2,801 restricted shares that Mr. Unger has the ability to vote, but is restricted from transferring until their vesting date.
- (16) Includes 2,801 restricted shares that Mr. Riccitelli has the ability to vote, but is restricted from transferring until their vesting date.
- (17) Includes 2,801 restricted shares that Ms. Infante has the ability to vote, but is restricted from transferring until their vesting date.
- (18) Includes shares of common stock issuable upon the exercise of outstanding stock options, as set forth in previous footnotes.

## EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

This section discusses the material components of the executive compensation program for our “named executive officers” as defined under 17 CFR 229.402(a)(3). These officers also comprise all of our “officers” as defined under 17 CFR 240.16a-1(f) and our “executive officers” under 17 CFR 229.401(b). Our named executive officers and their positions for the year ended December 31, 2021 were as follows:

*David R. Bailey, 43, President and Chief Executive Officer*

See director biographies above for a description of Mr. Bailey’s prior business experience.

*Fred L. Hite, 54, Chief Operating Officer and Chief Financial Officer*

See director biographies above for a description of Mr. Hite’s prior business experience.

*Gregory A. Odle, 52, Executive Vice President*

Mr. Odle joined our company in 2007 and has served as our Executive Vice President since 2011. Mr. Odle also served as a member of our board of directors from 2007 to 2013. Prior to joining our company, Mr. Odle held various sales roles for Smith & Nephew plc, ultimately becoming the District Manager for Indiana and Kentucky. Mr. Odle earned a Bachelor of Science in Marketing from the Indiana University Kelley School of Business.

*Daniel J. Gerritzen, 52, Vice President, General Counsel and Secretary*

Mr. Gerritzen has served as our Vice President of Legal and General Counsel since 2009 and Secretary since 2013. Prior to joining our company, Mr. Gerritzen was a partner with Bingham Greenebaum Doll LLP (now known as Dentons Bingham Greenebaum LLP), a law firm in Indianapolis, where he continues to serve as Of Counsel. Mr. Gerritzen spends substantially all of his time working for our company. Mr. Gerritzen earned a Bachelor of Science in Marketing and a JD from Indiana University.

*Joseph W. Hauser, 40, Senior Vice President & General Manager, Trauma and Deformity Correction*

Mr. Hauser joined our company in 2015 and has served as our Senior Vice President since 2021. Prior to joining our company, Mr. Hauser held various lead various leadership roles with DJO Global, Biomet (Trauma) and Zimmer (Trauma). Currently, he leads the Trauma and Deformity Correction business at OrthoPediatrics. Mr. Hauser obtained a Bachelor’s degree in Kinesiology and Exercise Science (ATC) from John Carroll University. During his first few career opportunities, he pursued a Master’s Degree in Business Administration (MBA with Marketing focus) from Capital University.

*Mark C. Throdahl, 71, Executive Chairman and former Chief Executive Officer*

See director biographies above for a description of Mr. Throdahl’s prior business experience.

Each of our executive officers is elected by the board of directors of the Company for a term of one year or until the election of their successors. There are no arrangements between any executive officer and any other person pursuant to which he was selected as an executive officer.

Effective as of June 3, 2020, the Company initiated an executive succession plan whereby David R. Bailey became the Company’s President and Fred L. Hite became the Company’s Chief Operating Officer and Chief Financial Officer. Prior to that time, Mark C. Throdahl had served as President and Chief Executive Officer of the Company, Mr. Bailey as an Executive Vice President, and Mr. Hite as Chief Financial Officer. In June of 2021, following his reaching the age of 70, Mr. Throdahl transitioned to the role of Executive Chairman, and Mr. Bailey succeeded Mr. Throdahl as the Company’s Chief Executive Officer.

## Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for the years indicated.

Principal Position	Name and Position	Year	Salary (\$)	Stock Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)</sup>	All Other Compensation (\$) <sup>(3)</sup>	Total (\$)
Bailey, President and Chief Executive Officer	David R.	2021	371,000	371,000	300,000		906
		2020		405,667	109,445	11,400	897
		2019		391,162	136,512	7,850	835
Hite, Chief Operating Officer and Chief Financial Officer	Fred L.	2021	371,000	371,000	360,000		906
		2020		846,467	109,445	11,400	1,338,312
		2019		469,394	163,814	8,400	1,001
Ode, Executive Vice President	Gregory A.	2021	309,000	309,000	300,000		756
		2020		337,884	91,155	11,400	749
		2019		391,162	136,512	8,400	836
Gerritzen, Vice President, General Counsel and Secretary	Daniel J.	2021	300,000	300,000	287,000		734
		2020		328,021	88,500	11,400	727
		2019		374,183	130,596	8,400	800
	Joseph W. Hauser, Senior Vice President & General Manager, Trauma and Deformity Correction	2021	300,000	300,003	130,693	11,600	742
Throdahl, Executive Chairman and Former Chief Executive Officer	Mark C.	2021	314,958	412,000	400,000		718
		2020		1,772,897	121,540	26,736	2,333,173
		2019		585,653	182,015	22,485	1,190

- (1) Amounts reflect the aggregate grant date fair value of restricted share grants computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 11 included in our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2021. There can be no assurance that unvested awards will vest (and, absent vesting, no value will be realized by the executive for the award).
- (2) Amounts reflect bonuses paid with respect to the achievement of performance criteria under our executive bonus plan.
- (3) Amounts for Mr. Throdahl reflect lodging expenses and travel expenses, which totaled \$7,383, \$13,287 and \$12,321 in 2021, 2020 and 2019, respectively, incurred in connection with his travel between our headquarters in Warsaw, Indiana and his primary residence in St. Louis, Missouri, as well as dues in the amount of \$2,850, \$2,049 and \$1,764 in 2021, 2020 and 2019, respectively, for membership in the Union League Club of Chicago, Illinois. In addition, amounts for 2021 include 401(k) matching contributions of \$11,600 for Mr. Hite, Mr. Bailey, Mr. Ode and Mr. Hauser; \$11,500 for Mr. Gerritzen and \$4,835 for Mr. Throdahl.

## Narrative Disclosure to Summary Compensation Table

### Base Salaries

The named executive officers receive a base salary pursuant to their employment agreements to compensate them for services rendered to us. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities.

The 2021 base salaries actually paid to our named executive officers are disclosed in the Summary Compensation Table above. We expect that base salaries for the named executive officers will be reviewed periodically by the Compensation Committee, with adjustments expected to be made generally in accordance with the considerations described above and to maintain base salaries at competitive levels.

### Annual Bonus

Each of our named executive officers participated in our 2021 bonus plan pursuant to which each was eligible to receive a bonus based equally on our achievement of specified sales, adjusted EBITDA and Company objectives, as established by the Compensation Committee. For 2021, target bonuses were equal to 50% of each executive's annual base salary paid in 2021.

The actual annual cash bonuses paid for performance in 2021 are set forth in the Summary Compensation Table above in the column titled "Non-Equity Incentive Plan Compensation" and reflect achievement of 79.54% of the annual performance goals. We expect target bonus levels for our named executive officers to remain at 50% of base salary under our 2022 bonus plan.

### Equity Compensation

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. Accordingly, our Board granted restricted stock to our named executive officers in 2021, as set forth in the table below.

2021 Restricted Stock	
David R. Bailey	7,119
Fred L. Hite	7,119
Gregory A. Odle	5,929
Daniel J. Gerritzen	5,756
Joseph W. Hauser	5,756
Mark C. Throdahl	5,277

### Other Elements of Compensation

*Retirement Plans.* We maintain a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. Our named executive officers have participated, and we expect that they will continue to be eligible to participate, in the 401(k) plan on the same terms as other full-time employees. For the fiscal year 2019, we matched our employees' 401(k) contributions by up to 3% of their annual salary. This was increased to 4% effective January 1, 2020 and remained as such through fiscal year 2021.

*Health/Welfare Plans.* All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including:

- medical, dental and vision benefits;
- short-term and long-term disability insurance; and

- life insurance.

We believe the perquisites described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

#### No Tax Gross-Ups

We do not make gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation or perquisites paid or provided by us.

#### Outstanding Equity Awards as of 2021 Fiscal Year-End

The table below summarizes the aggregate stock option and restricted stock awards held by our named executive officers as of December 31, 2021. As described above in "Equity Compensation," stock options typically vest upon grant.

Name	Grant Date	Option Awards					Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
David R. Bailey	3/2/2021	—	—	—	—	—	7,119	426,143
	3/3/2020	—	—	—	—	—	9,049	541,673
	2/28/2019	—	—	—	—	—	9,515	569,568
Fred L. Hite	3/2/2021	—	—	—	—	—	7,119	426,143
	6/25/2020	—	—	—	—	—	10,000	598,600
	3/3/2020	—	—	—	—	—	9,049	541,673
Gregory A. Odle	2/28/2019	—	—	—	—	—	11,418	683,481
	3/2/2021	—	—	—	—	—	5,929	354,910
	3/3/2020	—	—	—	—	—	7,537	451,165
	2/28/2019	—	—	—	—	—	9,515	569,568
	9/10/2013	402	—	—	30.97	9/10/2023	—	—
	8/23/2012	402	—	—	30.97	8/23/2022	—	—
Daniel J. Gerritzen	3/2/2021	—	—	—	—	—	5,756	344,554
	3/3/2020	—	—	—	—	—	7,317	437,996
	2/28/2019	—	—	—	—	—	9,102	544,846
Joseph W. Hauser	2/16/2021	—	—	—	—	—	5,756	344,554
	2/28/2020	—	—	—	—	—	5,659	338,748
	2/6/2019	—	—	—	—	—	7,136	427,161
Mark C. Throdahl	3/2/2021	—	—	—	—	—	5,277	315,881
	3/3/2020	—	—	—	—	—	10,049	601,533
	2/28/2019	—	—	—	—	—	14,246	852,766

- (1) Stock options granted prior to October 12, 2017 were granted under the 2007 Plan. Stock options granted after October 12, 2017 were granted under the 2017 Plan. All stock options are fully vested.
- (2) All restricted stock vests three years after grant date.
- (3) The market value for our restricted stock is based on our stock price as of December 31, 2021.



## **Employment Agreements**

Each of our named executive officers is party to a substantially similar employment agreement with the Company. The employment agreements provide for (i) a base salary; (ii) participation in our annual bonus plan and (iii) employee benefits and fringe benefits generally made available to all of our employees. With the exception of Mr. Hauser, each of our named executive officer's agreements have one-year terms that are subject to annual renewal. The employment agreement for Mr. Hauser will expire in March 2024 and provides for one-year renewal terms thereafter. The employment agreements also provide for the reimbursement of all reasonable business expenses incurred by a named executive officer on our behalf.

The employment agreements contain customary confidentiality, invention assignment and non-competition covenants. The non-competition covenant restricts our named executive officers during their respective employment term and for a period of one-year thereafter from soliciting our customers or employees and from competing with us anywhere where we or the named executive officer conducted business during the 12-month period immediately preceding such executive's termination.

Subject to continued compliance with the restrictive covenants and execution and non-revocation of a general release of claims in favor of us, the employment agreements also provide for certain severance payments and benefits if the executive's employment is terminated by us without "cause" or by the executive for "good reason" (each, as defined in the applicable agreement). In any such event, each executive is entitled to receive:

- 12 months of the executive's annual base salary then in effect, payable in 12 substantially equal monthly installments;
- a lump-sum payment in the amount equal to any unpaid bonus that was earned by the executive in any fiscal year ending prior to his termination;
- a lump-sum payment equal to the pro-rated value of any bonus earned upon the satisfaction of pre-established performance objectives, payable in the year following the year in which the services were performed when such bonuses are normally paid to employees; and
- up to 12 months of company-subsidized healthcare continuation coverage for the executive and his dependents.

## **Equity Incentive Plans**

### ***2007 Equity Incentive Plan***

Prior to the completion of our initial public offering, we maintained an Amended and Restated 2007 Equity Incentive Plan (the "2007 Plan") that provided for grants of options and restricted stock to employees, directors and associated third-party representatives of the Company. The 2007 Plan was originally adopted by our Board and approved by our stockholders in November 2007. The 2007 Plan was subsequently amended in March 2008 and amended and restated in December 2012 and again in April 2014. The 2012 amendment and restatement was approved by our stockholders in December 2012.

While we ceased making further awards under the 2007 Plan following the date the 2017 Plan became effective, any outstanding awards granted under the 2007 Plan will remain outstanding, subject to the terms of our 2007 Plan and award agreements, until such outstanding awards vest and are exercised (as applicable) or until they terminate or expire by their terms.

### ***2017 Incentive Award Plan***

Immediately prior to our initial public offering, a new incentive award plan, the 2017 Plan, was adopted, the material terms of which are summarized below.

*Limitation on Awards and Shares Available.* The aggregate number of shares of our common stock available for issuance pursuant to awards granted under the 2017 Plan is 500,471. Shares granted under the 2017 Plan may consist of authorized but unissued shares or shares purchased in the open market. If an award under the 2017 Plan is forfeited, expires, is converted to shares of another person in connection with certain corporate transactions or is settled for cash (including shares of restricted stock that are repurchased by us during the restricted period applicable to such shares at the same price paid by the holder), any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the 2017 Plan. The following shares will not be added back to the shares available for grant under the 2017 Plan:

- shares tendered by a holder or withheld by us in payment of the exercise price of an option granted under the 2017 Plan;
- shares tendered by the holder or withheld by us to satisfy any tax withholding obligation with respect to an award granted under the 2017 Plan;
- shares subject to a stock appreciation right, or SAR, granted under the 2017 Plan that are not issued in connection with the stock settlement of the SAR on exercise thereof; and
- shares that we purchase on the open market with the cash proceeds received from the exercise of options granted under the 2017 Plan.

Awards granted under the 2017 Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the 2017 Plan; provided, that awards using such authorized shares will 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 will only be made to individuals who were not employed by or providing services to us or our subsidiaries immediately prior to such transaction. The maximum number of shares of our common stock that may be subject to one or more awards granted pursuant to the 2017 Plan to any one participant during any calendar year will be 1,000,000, and the maximum amount that may be paid under a cash award pursuant to the 2017 Plan to any one participant during any calendar year period will be \$5.0 million. In addition, the sum of the grant date fair value of equity-based awards and the amount of any cash-based awards granted to any non-employee director during any calendar year will not exceed \$300,000.

*Administration.* The 2017 Plan is administered by our Board with respect to awards to non-employee directors and by our Compensation Committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers, subject to certain limitations that may be imposed under Section 162(m) of the Code, Section 16 of the Exchange Act and/or stock exchange rules, as applicable. We refer to our board of directors or such committee, in such capacity, as the plan administrator. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with and adopt rules for the administration of the 2017 Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2017 Plan, including any vesting and vesting acceleration conditions, repurchase provisions, forfeiture provisions, form of payment and any performance criteria.

*Eligibility.* Awards other than incentive stock options, or ISOs, may be granted to any of our or our subsidiaries' officers, employees, consultants or directors. Only officers and employees of us or our subsidiary corporations may be granted ISOs under Section 422 of the Code.

*Awards.* The 2017 Plan provides that the plan administrator may grant or issue options, including ISOs, non-qualified stock options, or NSOs, SARs, restricted stock, restricted stock units, or RSUs, dividend equivalents and other stock- and cash-based awards to eligible participants. Awards other than cash awards will generally be settled in shares of our common stock, but the plan administrator may provide for the cash settlement of any award. Each award will be evidenced by an award agreement, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms, post-termination exercise limitations and, in the case of options, will be designated as either an ISO or NSO. A brief description of each award type follows.

- *Stock Options.* Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. The 2017 Plan provides for the grant of ISOs

under the federal tax laws or NSOs. ISOs may be granted only to employees, while NSOs may be granted to employees, directors or consultants. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). The exercise price of options will be determined by the plan administrator; provided, that the exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance goals and/or other conditions.

- *Stock Appreciation Rights.* SARs entitle their holder, upon the exercise thereof, to receive from us an amount equal to the difference between the fair market value of the shares subject to the SAR on the exercise date and the exercise price of the SAR. Each SAR will be governed by a SAR agreement and may be granted separately or in connection with stock options or other awards. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance goals and/or other conditions.
- *Restricted Stock and Restricted Stock Units.* Restricted stock is an award of nontransferable shares of our common stock that remains forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Vesting conditions applicable to restricted stock and RSUs may be based on continued service, performance goals and/or other conditions. Holders of restricted stock, unlike recipients of other equity awards, will have both voting rights and the right to receive dividends, if any, prior to the time when the restrictions lapse, subject to the prohibition on paying dividends with respect to unvested awards described below.
- *Dividend Equivalents.* Dividend equivalents represent the right to receive the equivalent value of the dividends, if any, per share paid by us on shares of our common stock, and may be granted separately or in connection with awards other than stock options or SARs. Dividend equivalents are credited as of dividend payment dates during the period between the date an award is granted (or such other dates as may be determined by the plan administrator) and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator. No dividend equivalents will be payable with respect to stock options or SARs.
- *Other Stock or Cash-Based Awards.* Subject to the provisions of the 2017 Plan, the plan administrator shall determine the terms and conditions of each other stock- or cash-based award, including the term of the award, any exercise or purchase price, performance goals, transfer restrictions, vesting conditions and other terms and conditions. Other stock- or cash-based awards may be paid in cash, shares of our common stock or a combination thereof, as determined by the plan administrator, and may be available as a form of payment in the settlement of other awards granted under the 2017 Plan, as stand-alone payments, as a part of a bonus, deferred bonus, deferred compensation or other arrangement and/or as payment in lieu of compensation to which an individual is otherwise entitled.

*Dividends and Dividend Equivalent Payments on Unvested Performance-Based Awards.* No dividends or dividend equivalents with respect to an unvested award, or portion thereof, with performance-based vesting will be paid until the applicable performance-based vesting conditions are subsequently satisfied and the award vests,

and any dividends or dividend equivalents with respect to the portion of an award that does not vest shall be forfeited.

*Transferability of Awards.* Awards are transferable only by will, the laws of descent and distribution and, to the extent authorized by the plan administrator, to certain permitted transferees, including members of the participant's immediate family. The participant may also designate one or more beneficiaries in the event of death on a designated form provided by the plan administrator.

*Changes in Capitalization; Corporate Transactions.* In the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions, the plan administrator has broad discretion to take action under the 2017 Plan, as well as make adjustments to the terms and conditions of existing and future awards, in order to prevent the dilution or enlargement of intended benefits and to facilitate such transactions or events, including providing for the cash-out, assumption, substitution, accelerated vesting or termination of awards. In addition, in the event of certain non-reciprocal transactions with our stockholders, known as "equity restructurings," the plan administrator will make equitable adjustments to the 2017 Plan and outstanding awards.

*Change in Control.* In the event of a change in control of our Company (as defined in the 2017 Plan), all outstanding equity awards will become fully vested and, as applicable, exercisable, and all forfeiture, repurchase and other restrictions on such awards will lapse immediately prior to such change in control.

*Foreign Participants, Claw-Back Provisions and Participant Payments.* The plan administrator may modify award terms, establish sub-plans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any clawback policy that we may implement the extent set forth in such policy and/or the applicable award agreement. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2017 Plan, the plan administrator may, in its discretion, accept cash or check, shares of our common stock that meet specified conditions, a "market sell order" or such other consideration as it deems suitable.

*Amendment; Termination.* Our Board may amend, suspend or terminate the 2017 Plan at any time, provided that, subject to certain exceptions set forth therein, no amendment, suspension or termination will, without the consent of the holder, materially adversely affect any rights or obligations under any award previously granted, unless the award itself otherwise expressly so provides. In addition, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the 2017 Plan, increases the award or director limits under the 2017 Plan, "reprices" any stock option or SAR, or cancels any stock option or SAR in exchange for cash or another award when the per share price of the option or SAR exceeds the fair market value of the underlying shares. Furthermore, except in connection with certain corporate transactions, stockholder approval is required to amend the terms of outstanding stock options or SARs to reduce the per share exercise price or to cancel outstanding stock options or SARs in exchange for cash, other awards or stock options or SARs with a per share exercise price that is less than the per share exercise price of the original stock options or SARs.

## **Director Compensation**

The Company compensates its non-employee directors for their service to the Company through a cash retainer in an amount equal to \$3,000 per regular meeting. In addition, each non-employee director who serves as the chairperson of our Board or of our Audit Committee, Compensation Committee or Corporate Governance Committee receives an additional cash fee of \$3,000 per year. Non-employee directors serving as of the date of an annual meeting of our stockholders each receive a grant of 1,400 shares of restricted stock on the date of such meeting, vesting over three years, subject to continued service through the applicable vesting date. Effective August 1, 2021, the cash fee per each regular meeting was increased to \$9,375.

The following table sets forth information concerning the compensation of our non-employee directors during the year ended December 31, 2021. Mr. Bailey, Mr. Hite and Mr. Throdahl each of whom is a named executive officer, do not receive additional compensation for their service as a director, and therefore are not included in the table below.

	Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Compensation (\$)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
(1)	Bernie B. Berry III	24,750	210,647	—	—	—	—	235,397
	Stephen Burns	24,750	83,804	—	—	—	—	108,554
	Bryan W. Hughes	27,750	83,804	—	—	—	—	111,554
	Marie C. Infante	27,750	83,804	—	—	—	—	111,554
	David R. Pelizzon	24,750	83,804	—	—	—	—	108,554
	Samuel D. Riccitelli	24,750	83,804	—	—	—	—	108,554
	Harald Ruf	24,750	83,804	—	—	—	—	108,554
	Terry D. Schlotterback	29,250	83,804	—	—	—	—	113,054
	Kevin L. Unger	24,750	83,804	—	—	—	—	108,554

(1) Mr. Berry retired from the board effective November 3, 2021. As part of his retirement, the board granted Mr. Berry an additional 2,119 shares of common stock under the Company's 2017 Incentive Award Plan and accelerated the vesting of his remaining restricted stock grants. The amount of Mr. Berry's Stock Award includes both the 1,400 shares granted on the date of the 2021 annual meeting of our stockholders and the additional 2,119 shares of common stock granted as a part of his retirement.

On November 2, 2021, the Board revised its non-employee director compensation policy for 2022. These changes included: (a) modifying the annual restricted stock grant from 1,400 shares to a number of shares equivalent to \$75,000 in value on the date of the annual shareholder meeting; (b) increasing the cash quarterly meeting fee from \$9,375 per each quarterly Board meeting attended to \$18,750; (c) increasing the annual fee for a person serving as chairperson of the Board, the Compensation Committee or Corporate Governance Committee from \$3,000 to \$5,000; and (d) increasing the annual fee for a person serving as chairperson of the Audit Committee from \$3,000 to \$10,000.

## REPORT OF THE AUDIT COMMITTEE

Our Board adopted a charter for the Audit Committee in 2017. The Audit Committee charter is available under the Investors/Corporate Governance page of our website, [www.orthopediatrics.com](http://www.orthopediatrics.com). The charter states that the purpose of the Audit Committee is to oversee the Company's accounting and financial reporting processes and the audits of the Company's consolidated financial statements and internal control over financial reporting. It is not, however, the Audit Committee's responsibility under the charter to prepare and certify the Company's financial statements, to guarantee the independent registered public accounting firm's report, or to guarantee other disclosures by the Company. Audit Committee members are not employees of the Company and are not performing the functions of auditors or accountants. The Board has designated Mr. Hughes as an "Audit Committee Financial Expert."

### Independence of Audit Committee Members

The Audit Committee is currently comprised of three members of our Board, whose names appear below this Report of Audit Committee. Mr. Hughes, Mr. Riccitelli, and Mr. Unger are independent, as that term is defined by Nasdaq listing requirements that are applicable to the members of the Company's Audit Committee.

### Review with Management and Independent Accountants

Management is responsible for the Company's internal controls and its accounting and financial reporting processes. The independent registered public accounting firm is responsible for performing audits of the Company's consolidated financial statements and internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States) and to issue a report thereon. The Audit Committee's responsibility is to oversee these processes.

In this context, the Audit Committee has met and held discussions with management and with Deloitte & Touche LLP, the independent registered public accounting firm for the Company, with respect to the Company's consolidated financial statements for the calendar year 2021. Management represented to the Audit Committee that the Company's consolidated financial statements as of and for the year ended December 31, 2021, were prepared in accordance with U.S. generally accepted accounting principles, and the Audit Committee has reviewed and discussed these consolidated financial statements with management. The Audit Committee discussed with the independent registered public accounting firm matters required to be discussed by the Public Company Accounting Oversight Board's Auditing Standard No. 16 (Communication with Audit Committees).

The independent registered public accounting firm also provided to the Audit Committee the written disclosures required by Public Company Accounting Oversight Board (PCAOB) Rule 3520, and the Audit Committee discussed with the independent registered public accounting firm that firm's independence. The Audit Committee also considered whether the independent registered public accounting firm's provision of non-audit services to the Company is compatible with maintaining that firm's independence.

Based upon the discussions and reviews referred to above, the Audit Committee recommended to our Board that the consolidated financial statements referred to above be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

SUBMITTED BY THE MEMBERS OF THE AUDIT COMMITTEE:

Bryan W. Hughes, Chairman

Samuel D. Riccitelli

Kevin L. Unger

## CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

The following is a description of transactions since January 1, 2020 to which we have been a participant in which the amount involved exceeded or will exceed the lesser of (a) \$120,000, and (b) one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or any members of their immediate family, had or will have a direct or indirect material interest, other than compensation arrangements which are described under "Executive and Director Compensation."

### **Squadron**

#### *Supply Relationships*

We have used, or currently use Structure Medical, LLC, or Structure Medical, as a supplier for components of our products. Structure Medical is owned by Squadron, and Mr. Pelizzon, one of our directors, is the President of Squadron and a member of its Managing Committee and Mr. Ruf, another of our directors, is the Chief Operating Officer. For the years ended December 31, 2021 and 2020, we made aggregate payments to Structure totaling \$0.8 million and \$2.6 million, respectively.

#### *Real Estate Mortgage*

In connection with the purchase of our office and warehouse space in Warsaw, Indiana in August 2013, we entered into a mortgage note payable to Tawani Enterprises Inc., the owner of which is a member of Squadron's Managing Committee. Pursuant to the terms of the mortgage note, we pay Tawani Enterprises Inc. monthly principal and interest installments of \$15,543, with interest compounded at 5% until maturity in August 2028, at which time a final payment of principal and interest is due. The mortgage is secured by the related real estate and building. The mortgage balance was \$1.0 million and \$1.2 million as of December 31, 2021 and 2020, respectively.

#### *Vilex Divestiture*

On December 31, 2019, the Company divested substantially all of the assets relating to Vilex's adult product offerings to a wholly-owned subsidiary of Squadron in exchange for a \$25.0 million reduction in a term note owed to Squadron (which had funded a portion of the initial acquisition of the Vilex Companies). In conjunction with the divestiture, the Company also executed an exclusive perpetual license arrangement with Squadron to permit the purchaser the ability to access certain intellectual property and sell products using the external fixation technology of Orthex, LLC to non-pediatric accounts. For the year ended December 31, 2021, sales and payments related to inventory purchases to Squadron's affiliate, now known as Vilex, LLC, were \$0.2 million and \$0.7 million, respectively. For the year ended December 31, 2020, sales and payments related to inventory purchases were \$0.6 million and \$2.9 million, respectively.

**PROPOSAL 2**  
**ADVISORY VOTE ON THE APPROVAL OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

In accordance with its charter, the Audit Committee of our Board has selected the firm of Deloitte & Touche LLP, an independent registered public accounting firm, to be the Company's auditors for the fiscal year ending December 31, 2022, and our Board is asking stockholders (on a non-binding advisory basis) to approve that appointment. We are not required to have the stockholders approve the selection of Deloitte & Touche LLP as our independent auditor. We nonetheless are doing so because we believe it is a matter of good corporate practice. If the stockholders do not approve the selection, the Audit Committee will reconsider the retention of Deloitte & Touche LLP, but ultimately may decide to retain Deloitte & Touche LLP as the Company's independent auditor. Even if the selection is approved, the Audit Committee, in its discretion, may change the appointment at any time if it determines that such a change would be in the best interests of the Company and its stockholders.

Before selecting Deloitte & Touche LLP, the Audit Committee carefully considered that firm's qualifications as an independent registered public accounting firm for the Company. This included a review of its performance in prior years, including the firm's efficiency, integrity and competence in the fields of accounting and auditing. The Audit Committee has expressed its satisfaction with Deloitte & Touche LLP in all of these respects. The Company has been advised by Deloitte & Touche LLP that neither it nor any of its associates has any direct or material indirect financial interest in the Company.

Deloitte & Touche LLP served as independent registered public accounting firm for the Company with respect to the audits of the Company's consolidated financial statements for 2021 and has been engaged by the Company's Audit Committee to serve as independent registered public accounting firm for the Company with respect to the audits of the Company's consolidated financial statements and internal control over financial reporting for 2022. Representatives of Deloitte & Touche LLP will be present at the annual meeting, will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

**Audit Fees and Services**

Audit and other fees billed to us by Deloitte & Touche LLP for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Audit Fees	\$ 462,000	\$ 833,400
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	1,895
<b>Total</b>	<b>\$ 462,000</b>	<b>\$ 835,295</b>

***Audit Fees.*** Audit fees consist of fees billed for professional services performed by Deloitte and Touche LLP for the audit of our annual financial statements, the review of interim financial statements, and related services that are normally provided in connection with registration statements. Audit fees for 2020 include \$68,000 for professional services rendered in connection with our registration statement on Form S-3 related to our follow on offering and \$172,000 related to the acquisitions of the Telos and ApiFix companies and the purchase of certain intellectual property assets from Band-Lok, LLC.

***Audit-Related Fees.*** Audit-related fees may consist of fees billed by an independent registered public accounting firm for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements. Audit-related fees for 2021 consisted of fees related to contingent consideration testing. There were no such fees incurred in 2020.



*Tax Fees.* Tax fees may consist of fees for professional services, including tax consulting and compliance performed by an independent registered public accounting firm. There were no such fees incurred in 2021 or 2020.

*All Other Fees.* All other fees consist of the license fee for access to Deloitte & Touche LLP's online accounting research program.

#### **Pre-Approval by Audit Committee of Principal Accountant Services.**

The Audit Committee of our Board (or a member of the Audit Committee acting under authority delegated to him or her by the Audit Committee) approves in advance all services proposed to be performed for the Company or its subsidiaries by any independent registered public accounting firm that performs (or proposes to perform) audit, review or attest services for the Company or its subsidiaries. Under these SEC rules, the requirement for advance Audit Committee approval of services (other than audit, review or attest services) is waived if they were not recognized to be non-audit services at the time that the independent registered public accounting firm was engaged to provide those services, and certain other conditions are satisfied. None of the services of Deloitte & Touche LLP that were covered by the fees described above were performed without the prior approval of the Audit Committee (or the prior approval of a member of the Audit Committee acting under delegated authority) in reliance upon this waiver provision of the SEC rules.

#### **Required Vote of Stockholders**

The affirmative vote of a majority of the votes cast by holders of common shares who are present in person or by proxy at a meeting at which a quorum is present is required (on a non-binding advisory basis) to approve the appointment of Deloitte & Touche LLP.

<b>Our Board recommends that you vote FOR the proposal to approve Deloitte &amp; Touche LLP as the Company's registered independent public accounting firm for 2022 (Proposal 2 on the proxy card).</b>
---

#### **SECTION 16(A): BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers and persons who beneficially own more than ten percent of the Company's Common Shares to file with the Securities and Exchange Commission reports showing ownership of and changes in ownership of the Company's Common Shares and other equity securities. On the basis of information submitted by the Company's directors and executive officers, the Company believes that its directors and executive officers timely filed all required Section 16(a) filings for fiscal year 2021, except for the inadvertent failure of (i) Ms. Infante to timely report a single sale of common stock on Form 4, and (ii) Mr. Hauser to timely file his initial Form 3.

#### **STOCKHOLDER PROPOSALS FOR 2023 ANNUAL MEETING**

A stockholder desiring to submit a proposal for inclusion in the Company's proxy statement for the annual meeting of stockholders to be held in the year 2023 must deliver the proposal so that it is received by the Company no later than December 23, 2022. If notice of any other stockholder proposal intended to be presented at the 2022 annual meeting is not received by the Company on or before March 8, 2023, the proxy solicited by the Board for use in connection with that meeting may confer authority on the proxies to vote in their discretion on such proposal, without any discussion in the Company's proxy statement for that meeting of either the proposal or how such proxies intend to exercise their voting discretion. Any proposals or notices should be mailed to the chairperson of the Corporate Governance Committee of the Board of Directors, in care of the Corporate Secretary, at OrthoPediatrics Corp., 2850 Frontier Drive, Warsaw, Indiana 46582, by certified mail, return-receipt requested.

## **ANNUAL REPORT**

Upon written request, the Company will provide without charge to each stockholder who does not otherwise receive a copy of the Company's annual report to stockholders a copy of the Company's Annual Report on Form 10-K which was required to be filed with the SEC for the year ended December 31, 2021. Please address all requests to:

Daniel Gerritzen, Secretary  
OrthoPediatrics Corp.  
2850 Frontier Drive  
Warsaw, Indiana 46582