

ORTHOFIX INTERNATIONAL N V

Form S-4/A

May 24, 2018

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As filed with the Securities and Exchange Commission on May 24, 2018

Registration No. 333-224407

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

AMENDMENT NO. 1  
TO  
FORM S-4  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**Orthofix International N.V.\***

**(Exact Name of Registrant as Specified in Its Charter)**

**Curaçao\***  
**(State or Other Jurisdiction of  
Incorporation or Organization)**

**0-19961**  
**(Primary Standard Industrial  
Classification Code Number)**  
**7 Abraham de Veerstraat, Curaçao**

**98-1340767**  
**(IRS Employer  
Identification Number)**

**599-9-4658525**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**Kimberley A. Elting**

**Chief Legal and Administrative Officer**

**3451 Plano Parkway**

**Lewisville, Texas 75056**

**(214) 937-2000**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*With a Copy to:*

**Joseph E. Gilligan**

**Brian C. O Fahey**

**Paul D. Manca**

**Hogan Lovells US LLP**

**Columbia Square**

**555 Thirteenth Street, N.W.**

**Washington, DC 20004**

**(202) 637-5600**

**Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement is declared effective and all other conditions to the domestication described in the enclosed proxy statement/prospectus have been satisfied or waived.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this preliminary proxy statement/prospectus is subject to completion and amendment. The registrant may not sell the securities described herein until the registration statement filed with the United States Securities and Exchange Commission is declared effective. This preliminary proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY PROXY STATEMENT/PROSPECTUS SUBJECT TO COMPLETION, DATED MAY 24, 2018**

**PROXY STATEMENT FOR ANNUAL GENERAL MEETING OF ORTHOFIX INTERNATIONAL N.V.**

**PROSPECTUS FOR SHARES OF COMMON STOCK OF ORTHOFIX MEDICAL INC. (AFTER ITS DOMESTICATION AS A CORPORATION IN DELAWARE)**

Dear Shareholders:

You are cordially invited to attend the 2018 Annual General Meeting of Shareholders (the Annual General Meeting ) of Orthofix International N.V., a limited liability company (*naamloze vennootschap*) operating under the laws of Curaçao ( Orthofix, the Company, we, us or our ), which will be held on July 17, 2018 at 11:00 a.m. Atlantic Standard Time (AST) at Orthofix s offices, located at 7 Abraham de Veerstraat, Curaçao.

*Domestication Proposal.* The board of directors (the Board ) of Orthofix has unanimously approved a plan to change the Company s jurisdiction of organization from Curaçao to the State of Delaware (the domestication ), and has unanimously resolved to submit a proposal to the Company s shareholders asking that they vote to adopt a shareholders resolution that authorizes the domestication (the domestication resolution ). If the shareholders vote to adopt the domestication resolution, and the other conditions to completion of the domestication are satisfied, the Company anticipates that, on or prior to January 1, 2019, it will complete the domestication in accordance with the conversion procedures of Articles 304 and 305 of Book 2 of the Curaçao Civil Code and the domestication procedures of Section 388 of the Delaware General Corporation Law. Following the domestication, the Company will be renamed Orthofix Medical Inc.

If the domestication resolution is adopted by the requisite vote of our shareholders, the number of shares of common stock that you will own in Orthofix Medical Inc. on the effective date of the domestication will be the same as the number of common shares you held in Orthofix International N.V. immediately prior to the effectuation of the domestication. Orthofix Medical Inc. s common stock will continue to be traded on the Nasdaq Global Select Market under the symbol OFIX.

The Board believes that the domestication will provide potential strategic opportunities and benefits, including: aligning our incorporation with our primary business operations in the United States, improving operational and financial flexibility by simplifying our corporate structure, which will allow for improved cash management capabilities and increased business efficiencies, benefiting from the prominence, predictability and flexibility of Delaware law and a well-established corporate governance regime and positioning the Company to better respond to global tax developments. **The domestication cannot be completed without satisfying certain conditions, the most important of which is the adoption of the domestication resolution by the affirmative vote of holders representing an absolute majority of the outstanding common shares of Orthofix as of the record date.**

*Other Annual General Meeting Proposals.* In addition to the proposal to adopt the domestication resolution, Orthofix shareholders will be asked to vote on other proposals at the Annual General Meeting, including: (i) the election of nine directors to the Board, (ii) the approval of the Company's consolidated balance sheet and consolidated statement of operations for the fiscal year ended December 31, 2017, (iii) the approval, on an advisory and non-binding basis, of the compensation of the Company's named executive officers, (iv) the approval of an amendment and restatement of the Company's 2012 Long-Term Incentive Plan (the Amended and Restated 2012 Plan), (v) the approval of Amendment No. 1 to the Company's Second Amended and Restated Stock Purchase Plan (the SPP) to increase the number of shares subject to awards under the SPP (the SPP Amendment) and (vi) the ratification of the appointment of Ernst & Young LLP (EY) as the Company's independent registered accounting firm for the year ending December 31, 2018.

Shareholders of record of Orthofix as of the close of business on May 24, 2018 have the right to attend the Annual General Meeting and vote their Orthofix common shares, or may grant a proxy to vote on the proposals included in this proxy statement/prospectus. **Whether or not you plan to attend the Annual General Meeting, please sign, date and return the proxy voting card in the accompanying envelope. Your vote is important no matter how many common shares you own. The Board has unanimously approved the domestication and recommends that you vote FOR the adoption of the domestication resolution, FOR the election of each of the director nominees, FOR the approval of the financial statements, FOR the approval, on a non-binding advisory basis, of the compensation of the Company's named executive officers, FOR the approval of the Amended and Restated 2012 Plan, FOR the approval of the SPP Amendment and FOR the ratification of EY. You are urged to join Orthofix in supporting these important proposals.**

**This proxy statement/prospectus provides you with detailed information about the domestication and other matters to be considered at the Annual General Meeting. We urge you to carefully read this entire document and the documents incorporated herein by reference. You should also carefully consider the risk factors described in Risk Factors beginning on page 13 of this proxy statement/prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the transactions described in this proxy statement/prospectus or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

This proxy statement/prospectus is dated \_\_\_\_\_, 2018, and is first being mailed to Orthofix shareholders on or about \_\_\_\_\_, 2018.

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**Orthofix International N.V.**

**7 Abraham de Veerstraat**

**Curaçao**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**To Be Held On July 17, 2018**

Dear Shareholders:

We will hold the 2018 Annual General Meeting of Shareholders (the Annual General Meeting ) of Orthofix International N.V. ( Orthofix, the Company, we, us or our ) on July 17, 2018 at 11:00 a.m. Atlantic Standard Time (AST) at Orthofix s offices, located at 7 Abraham de Veerstraat, Curaçao, for the following purposes:

**Adoption of the Domestication Resolution.** Shareholders will be asked to adopt a resolution to change the jurisdiction of organization of the Company from Curaçao to the State of Delaware, subject to the conditions set forth in such resolution (the domestication resolution ). If the domestication resolution is adopted by the requisite vote of our shareholders and the other conditions to the completion of the domestication are satisfied, Orthofix will change its jurisdiction of organization from Curaçao to the State of Delaware in accordance with the conversion procedures of Articles 304 and 305 of Book 2 of the Curaçao Civil Code and the domestication procedures of Section 388 of the Delaware General Corporation Law (the domestication ). Following the domestication, the Company will be renamed Orthofix Medical Inc. The Board of Directors (the Board ) unanimously recommends that shareholders vote FOR the proposal to adopt the domestication resolution.

**Election of Directors.** Shareholders will be asked to elect the following persons to the Board: Luke Faulstick, James F. Hinrichs, Alexis V. Lukianov, Lilly Marks, Bradley R. Mason, Ronald A. Matricaria, Michael E. Paolucci, Maria Sainz and John Sicard. The Board unanimously recommends that shareholders vote FOR each of the foregoing director nominees.

**Approval of Financial Statements for the Fiscal Year Ended December 31, 2017.** As required by Curaçao law, shareholders will be asked to approve the consolidated balance sheet and consolidated statement of operations at and for the fiscal year ended December 31, 2017. The Board unanimously recommends that shareholders vote FOR the proposal to approve the consolidated balance sheet and consolidated statement of operations at and for the fiscal year ended December 31, 2017.

**Advisory and Non-Binding Resolution to Approve Executive Compensation.** Shareholders will be asked to approve an advisory and non-binding resolution on the compensation of the Company s named executive officers, as described in the *Management Compensation Discussion and Analysis* and the related compensation tables beginning on page 51 of this proxy statement/prospectus. The Board values shareholders opinions, and the Compensation Committee of the Board will take into account the outcome

of the advisory vote when considering future executive compensation decisions. The Board unanimously recommends that shareholders vote **FOR** the proposal to approve the advisory and non-binding resolution on executive compensation.

**Approval of the Amended and Restated 2012 Plan.** Shareholders will be asked to approve an amendment and restatement of the Company's 2012 Long-Term Incentive Plan (the **Amended and Restated 2012 Plan**). The Board unanimously recommends that shareholders vote **FOR** the proposal to approve the **Amended and Restated 2012 Plan**.

**Approval of the SPP Amendment.** Shareholders will be asked to approve Amendment No. 1 to the Company's Second Amended and Restated Stock Purchase Plan (the **SPP**) to increase the number of shares subject to awards under the SPP (the **SPP Amendment**). The Board unanimously recommends that shareholders vote **FOR** the proposal to amend the SPP.

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**Ratification of the Selection of EY.** Shareholders will be asked to approve a resolution to ratify the selection of Ernst & Young LLP ( EY ) as the independent registered public accounting firm for Orthofix and its subsidiaries for the fiscal year ending December 31, 2018. The Board unanimously recommends that shareholders vote FOR the proposal to ratify the selection of EY as the independent registered public accounting firm.

**Miscellaneous.** Shareholders will be asked to transact such other business as may come before the Annual General Meeting or any adjournment or postponement thereof.

The foregoing proposals are more fully described in the proxy statement/prospectus accompanying this notice. Please give your attention to all of the information in the accompanying proxy statement/prospectus.

All record holders of Orthofix common shares at the close of business on May 24, 2018 are being sent this notice and will be entitled to vote at the Annual General Meeting. Each record holder on such date is entitled to cast one vote per common share.

We are sending the proxy statement/prospectus to shareholders on \_\_\_\_\_, 2018, together with an accompanying proxy voting card and the Orthofix Annual Report on Form 10-K for the year ended December 31, 2017. A copy of the consolidated financial statements for the fiscal year ended December 31, 2017 have been filed at the offices of Orthofix at 7 Abraham de Veerstraat, Curaçao and are available for inspection by shareholders until the conclusion of the Annual General Meeting.

If you have any questions regarding the proxy statement/prospectus, you may contact Mark Quick, Investor Relations, by calling (214) 937-2924 or Saratoga Proxy Consulting LLC, our proxy solicitor, by calling toll-free at (888) 368-0379.

Your vote is important. Please refer to the proxy voting card or other voting instructions included with these proxy materials for information on how to vote by proxy or in person.

Sincerely,

**Ronald A. Matricaria**

Chairman of the Board

, 2018

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDERS MEETING TO BE HELD ON JULY 17, 2018: A COPY OF THIS PROXY STATEMENT, PROXY VOTING CARD AND THE ORTHOFIX ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2017 ARE AVAILABLE AT [WWW.PROXYDOCS.COM/OFIX](http://WWW.PROXYDOCS.COM/OFIX).**



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**Additional Information**

This proxy statement/prospectus incorporates important business and financial information about Orthofix International N.V. ( Orthofix, the Company, we, us or our ) from other documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this proxy statement/prospectus by requesting them from Orthofix by writing to:

Orthofix International N.V.

c/o Orthofix Holdings, Inc.

3451 Plano Parkway

Lewisville, Texas 75056

Attention: Mr. Mark Quick, Investor Relations

You may also contact Mr. Quick at (214) 937-2924 or at [MarkQuick@orthofix.com](mailto:MarkQuick@orthofix.com).

You may also contact Saratoga Proxy Consulting LLC, our proxy solicitor, at the following address and phone number:

Saratoga Proxy Consulting LLC

520 8th Avenue, 14th Floor

New York, New York 10018

(212) 257-1311

(888) 368-0379

**If you would like to request any documents that are incorporated by reference into this proxy statement/prospectus, please do so at least five business days before the Annual General Meeting of Shareholders to be held on July 17, 2018 (the Annual General Meeting ), or by July 16, 2018 in order to receive them before the Annual General Meeting.**

This information is also available for you to review at the U.S. Securities and Exchange Commission's (the SEC ) public reference room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, and through the SEC's website at [www.sec.gov](http://www.sec.gov).

For more information, see *Where You Can Find More Information and Incorporation by Reference* beginning on page 104 of this proxy statement/prospectus.

**About this Proxy Statement/Prospectus**

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 (Registration Statement No. 333-224407) filed by Orthofix with the SEC, constitutes a prospectus of Orthofix for purposes of the Securities Act of 1933, as amended (the Securities Act ), with respect to the shares of common stock of Orthofix Medical Inc. to be issued in exchange for common shares of Orthofix International N.V. in connection with the change of the Company's jurisdiction of organization from Curaçao to the State of Delaware in accordance with the conversion procedures of Articles 304 and 305 of Book 2 of the Curaçao Civil Code and the domestication procedures of Section 388 of the Delaware General Corporation Law (the domestication ). This proxy statement/prospectus also constitutes a proxy statement for Orthofix for purposes of the Securities Exchange Act of 1934, as amended (the Exchange Act ). In addition, it constitutes a notice of annual meeting with respect to the Company's Annual General Meeting.

You should rely only on the information contained or incorporated by reference in this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated \_\_\_\_\_, 2018. You should not assume that the information contained in, or incorporated by

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reference into, this proxy statement/prospectus is accurate as of any date other than that date. Neither the mailing of this proxy statement/prospectus to Orthofix's shareholders nor the domestication of the Company as a Delaware corporation will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or to any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this proxy statement/prospectus regarding Orthofix has been provided by Orthofix.

## **Cautionary Statement Regarding Forward-Looking Statements**

This proxy statement/prospectus and the annexes attached hereto contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the Exchange Act, and Section 27A of the Securities Act, relating to our business and financial outlook, which are based on our current beliefs, assumptions, expectations, estimates, forecasts and projections. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, potential, or continue or other words, phrases or expressions of similar import, or the negative of such words or phrases or other words or expressions of similar meaning, including statements regarding the benefits of the domestication and related transactions or the future financial condition, results of operation and business of the Company. Without limiting the generality of the preceding sentence, certain information contained in the sections *Proposal 1: Domestication in Delaware* and *Comparison of Corporate Governance and Shareholder Rights* constitute forward looking statements.

We based these forward-looking statements on particular assumptions that we have made in light of our industry experience, as well as our perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. These forward-looking statements are not guarantees of our future performance and involve risks, uncertainties, estimates and assumptions that are difficult to predict. Therefore, our actual outcomes and results may differ materially from those expressed in these forward-looking statements. In addition to other factors and matters contained in this proxy statement/prospectus, including those disclosed under *Risk Factors* beginning on page 13, these forward-looking statements are subject to risks, uncertainties and other factors, including, among others:

our ability to obtain the required shareholder vote to adopt the domestication proposal at the Annual General Meeting;

the satisfaction of other conditions to the domestication;

the outcome of any legal proceedings that may be instituted against us following announcement of the domestication and related transactions;

our ability to maintain the listing of our common stock on the Nasdaq Global Select Market following the domestication;

our ability to take advantage of the potential strategic opportunities provided by, and realize the potential benefits of, the domestication;

the risk that the domestication disrupts current plans and operations;

the risk that shareholders may recognize gain or other income with respect to their shares at the effective time of the domestication;

the future financial performance of the Company following the domestication, including our anticipated growth rate and market opportunity;

changes in shareholders' rights as a result of the domestication;

our ability to adapt to operating under the laws of the State of Delaware;

business uncertainties while the domestication is pending;

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the risk that the Board may defer or abandon the domestication;

costs related to the domestication;

changes in general political, economic and competitive conditions and specific market conditions;

adverse changes in the medical device industry; and

other risks detailed in our Annual Report on Form 10-K for the year ended December 31, 2017 filed by the Company with the SEC and incorporated herein by reference. See also *Where You Can Find More Information and Incorporation by Reference* on page 104 of this proxy statement/prospectus.

Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore there can be no assurance that such statements included in this proxy statement/prospectus will prove to be accurate. As you read and consider the information in this proxy statement/prospectus, you are cautioned to not place undue reliance on these forward-looking statements. These statements are not guarantees of performance or results and speak only as of the date of this proxy statement/prospectus, in the case of forward-looking statements contained in this proxy statement/prospectus, or the dates of the documents incorporated by reference or attached as annexes to this proxy statement/prospectus, in the case of forward-looking statements made in those documents. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information or developments, future events or otherwise, except as required by law.

In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the results or conditions described in such statements or the objectives and plans expressed will be achieved.

All forward-looking statements, expressed or implied, included in this proxy statement/prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or any persons acting on our behalf may issue.

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**QUESTIONS AND ANSWERS ABOUT THE ANNUAL GENERAL MEETING AND THE DOMESTICATION**

*The following questions and answers are intended to address briefly some commonly asked questions regarding Orthofix International N.V.'s intent to change its jurisdiction of organization from Curaçao to the State of Delaware (the domestication) and the Annual General Meeting of Shareholders to be held on July 17, 2018 (the Annual General Meeting). These questions and answers may not address all questions that may be important to you. Please refer to the more detailed information contained elsewhere in this proxy statement/prospectus, its annexes and the documents referred to or incorporated by reference in this proxy statement/prospectus for more information.*

*Unless the context otherwise requires, the terms the Company, Orthofix, we, us and our refer to Orthofix International N.V. as it currently exists under Curaçao law and will continue under Delaware law after the domestication. The term Orthofix Curaçao refers to the Company prior to the domestication and the term Orthofix Delaware refers to the Company after the domestication. We refer to holders of our securities as our shareholders. Our shareholders will hold Orthofix Curaçao common shares prior to the domestication and shares of Orthofix Delaware common stock after the domestication.*

***When and where is the Annual General Meeting?***

The Annual General Meeting will be held on July 17, 2018 at 11:00 a.m. Atlantic Standard Time (AST) at Orthofix's offices, located at 7 Abraham de Veerstraat, Curaçao.

***What matters will be voted on at the Annual General Meeting?***

You will be asked to consider and vote on the following proposals:

to adopt a shareholders' resolution to change the jurisdiction of organization of Orthofix from Curaçao to the State of Delaware (the domestication resolution);

to elect the nine nominees named in this proxy statement/prospectus to the Board of Directors of Orthofix (the Board);

to approve the consolidated balance sheet and consolidated statement of operations at and for the fiscal year ended December 31, 2017;

to approve an advisory and non-binding resolution on the compensation of Orthofix's named executive officers as disclosed in this proxy statement/prospectus;

to approve the Company's Amended and Restated 2012 Long-Term Incentive Plan (the Amended and Restated 2012 Plan);

to approve Amendment No. 1 to the Company's Stock Purchase Plan (the "SPP") to increase the number of shares subject to awards under the SPP (the "SPP Amendment");

to ratify the selection of Ernst & Young LLP ("EY") as the independent registered public accounting firm for Orthofix and its subsidiaries for the fiscal year ending December 31, 2018; and

to transact such other business as may come before the Annual General Meeting or any adjournment or postponement thereof.

***How does the Board recommend that I vote on the proposals?***

After careful consideration, the Board has unanimously determined that the domestication and related transactions are advisable and in the best interest of the shareholders and has unanimously approved the domestication and related transactions, subject to the adoption of the domestication resolution by the requisite

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vote of our shareholders. **The domestication resolution must be adopted by the affirmative vote of holders representing an absolute majority of the outstanding common shares as of the Record Date (as defined below) in order for the Company to be able to effectuate the domestication. The Board urges shareholders to join Orthofix in supporting this important proposal and unanimously recommends that you vote FOR the proposal to adopt the domestication resolution.**

**The Board also unanimously recommends that you vote FOR each of the other items at the Annual General Meeting: FOR the election of each of the director nominees, FOR the approval of the financial statements, FOR the approval, on a non-binding advisory basis, of the compensation of the Company's named executive officers, FOR the approval of the Amended and Restated 2012 Plan, FOR the approval of the SPP Amendment and FOR the ratification of EY.**

### ***What is the proposed domestication transaction?***

The proposed domestication is a transaction whereby the Company will change its jurisdiction of organization from a Curaçao limited liability company (*naamloze vennootschap*) to a Delaware corporation in accordance with the conversion procedures of Articles 304 and 305 of Book 2 of the Curaçao Civil Code (the CCC) and the domestication procedures of Section 388 of the Delaware General Corporation Law (the DGCL). The domestication will only be completed if the domestication resolution is adopted by the requisite vote of our shareholders at the Annual General Meeting and all other conditions to the domestication are satisfied. Following the domestication, the Company will be renamed Orthofix Medical Inc.

### ***How will shareholders be affected by the domestication?***

If the domestication resolution is adopted by the requisite vote of our shareholders, the number of shares of common stock that you will own in Orthofix Delaware on the effective date of the domestication will be the same as the number of common shares of Orthofix Curaçao that you held immediately prior to the effectuation of the domestication. Orthofix Delaware's common stock will continue to be traded on Nasdaq under the symbol OFIX.

Currently, your rights as a shareholder of the Company arise under the laws of Curaçao, as well as our current Articles of Association of the Company (the Existing Articles of Association). Upon the effectiveness of the domestication, your rights as a shareholder of the Company will arise under Delaware law and our proposed Certificate of Incorporation, attached as Annex A to this proxy statement/prospectus (the Proposed Certificate of Incorporation) and proposed Bylaws, attached as Annex B to this proxy statement/prospectus (the Proposed Bylaws, and, together with the Proposed Certificate of Incorporation, the Proposed Organizational Documents). Delaware law and the Proposed Organizational Documents contain provisions that differ in certain respects from Curaçao law and our Existing Articles of Association and, therefore, some of your rights as a shareholder will change. For a description of your rights following the domestication and how they may differ from your current rights, please see *Comparison of Corporate Governance and Shareholder Rights* beginning on page 29.

### ***Why is Orthofix proposing the domestication?***

The Board believes that the domestication will provide a number of significant potential strategic opportunities and benefits, including, among other things:

aligning our incorporation with our primary business operations, which are in the United States;

improving operational and financial flexibility by simplifying our corporate structure, which will allow for improved cash management capabilities and increased business efficiencies;

benefiting from the prominence, predictability and flexibility of Delaware law and a well-established corporate governance regime; and

positioning the Company to better respond to global tax developments.

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The Board has unanimously determined that the domestication is advisable and in the best interests of the Company and its shareholders and has unanimously approved the domestication and related transactions. To review the reasons for the domestication in greater detail, please see *Proposal 1: Domestication in Delaware Reasons for the Domestication* beginning on page 20.

### ***Are there any conditions to the domestication?***

Yes. In addition to the adoption of the domestication resolution by the shareholders of the Company, as described herein, we must satisfy certain other conditions in order to effectuate the domestication, including:

the Company must publish certain notices in Curaçao newspapers announcing its intent to change its jurisdiction of organization from Curaçao to the State of Delaware, as required by Curaçao law, and complete related procedures, as further described in *Proposal 1: Domestication in Delaware Conditions to Completion of the Domestication* beginning on page 23;

the Board has determined the effective date and time of the domestication, such effective date to be on or prior to January 1, 2019, and has confirmed that the domestication should not be delayed or abandoned;

the SEC has declared the registration statement on Form S-4 that includes this proxy statement/prospectus effective, and no stop order with respect thereto is in effect;

the Nasdaq Global Select Market ( Nasdaq ) has approved the Orthofix Delaware common stock for listing; and

Orthofix is not subject to any decree, order or injunction that prohibits the consummation of the domestication.

### ***If the domestication resolution is adopted, when is the domestication expected to be completed?***

If the domestication resolution is adopted by the requisite vote of our shareholders and all other conditions to the domestication are satisfied, we expect the domestication to occur on or before January 1, 2019. If the domestication is not effectuated on or before January 1, 2019, for whatever reason, we would need to ask shareholders to adopt a new domestication resolution in order to pursue a domestication transaction. For a description of the steps required to consummate the domestication, including timing, please see *Proposal 1: Domestication in Delaware The Domestication Transactions* beginning on page 22.

### ***Are there risks associated with the domestication that I should consider in deciding how to vote?***

Yes. There are a number of risks related to the domestication that are discussed in this proxy statement/prospectus described in the section entitled *Risk Factors* beginning on page 13.

### ***What are the material U.S. federal income tax consequences of the domestication to U.S. shareholders?***

U.S. shareholders (as defined in *Material Tax Considerations U.S. Shareholders* below) may be subject to U.S. federal income tax as a result of the domestication. Please see the section entitled *Material Tax Considerations* beginning on page 36 for a discussion of material U.S. federal income tax consequences of the domestication.

**You should consult your tax advisors with respect to the application of U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.**



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### ***Who is entitled to vote at the Annual General Meeting?***

All record holders of Orthofix Curaçao common shares at the close of business on May 24, 2018 (the Record Date ) are being sent this proxy statement/prospectus and will be entitled to vote at the Annual General Meeting. Each record holder on such date is entitled to cast one vote per common share.

### ***What constitutes a quorum for the Annual General Meeting?***

The presence, in person or by proxy, of the holders of at least 50% of Orthofix Curaçao common shares outstanding on the Record Date is required to constitute a quorum at the Annual General Meeting.

### ***What vote is required for shareholders to approve the proposals?***

The affirmative vote of the holders representing an absolute majority of the outstanding common shares as of the Record Date will be required in order to adopt the domestication resolution (Proposal 1) at the Annual General Meeting. Assuming a quorum is present, the nominees for election as directors in Proposal 2 will be elected upon the affirmative vote of a plurality of all votes cast at the Annual General Meeting. Assuming a quorum is present, the approval of the holders of a majority of the votes cast on Proposals 3, 4, 5, 6 and 7 at the Annual General Meeting will be required to approve each of these Proposals.

### ***How are votes counted?***

Abstentions and broker non-votes are counted as shares that are present and entitled to vote on the proposals for purposes of determining the presence of a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Abstentions and broker non-votes will have the effect of a vote against Proposal 1. Neither abstentions nor broker non-votes will have any effect on the outcome of voting on Proposals 2, 3, 4, 5, 6 and 7.

### ***How do I vote?***

If you are a record holder, you may cast your vote at <https://www.proxypush.com/ofix>. See your proxy voting card for your online control number in order to vote. If your common shares are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your common shares voted. All votes must be cast and received by 5:00 p.m., Eastern Daylight Time (EDT), on July 16, 2018.

### ***How can I revoke or change my vote?***

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (1) filing with Orthofix, at or before the taking of the vote at the Annual General Meeting, a written notice of revocation bearing a later date than the proxy, or (2) duly executing a subsequent proxy relating to the same common shares and delivering it to Orthofix before the Annual General Meeting. Attending the Annual General Meeting will not in and of itself constitute the revocation of a proxy. Any written notice of revocation or subsequent proxy should be sent so as to be delivered to: Orthofix International N.V., 7 Abraham de Veerstraat, Curaçao, at or before the taking of the vote at the Annual General Meeting.

### ***What else do I need to know?***

You are urged to read this proxy statement/prospectus carefully and in its entirety, including its annexes. You are also urged to consider how the domestication affects you, including any application of U.S. federal tax laws, as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction. Even if you plan

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to attend the Annual General Meeting, if you hold your common shares in your own name as the shareholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy voting card. You can also attend the Annual General Meeting and vote, or change your prior vote, in person. If you hold your shares in street name through a bank, broker or other nominee, then you should have received this proxy statement/prospectus from that nominee, along with that nominee's proxy voting card, which includes voting instructions and instructions on how to change your vote.

***Who can answer my questions?***

If you have any questions about the domestication or the other matters to be voted on at the Annual General Meeting or how to submit your proxy or need additional copies of this proxy statement/prospectus, the enclosed proxy voting card or voting instructions, please contact Saratoga Proxy Consulting, LLC ( Saratoga ), our proxy solicitor, at the following address and phone numbers:

Saratoga Proxy Consulting LLC

520 8th Avenue, 14th Floor

New York, New York 10018

(212) 257-1311

(888) 368-0379

You may also contact Orthofix directly by writing to:

Orthofix International N.V.

c/o Orthofix Holdings, Inc.

3451 Plano Parkway

Lewisville, Texas 75056

Attention: Mr. Mark Quick, Investor Relations

You may also contact Mr. Quick at (214) 937-2924 or at [MarkQuick@orthofix.com](mailto:MarkQuick@orthofix.com).

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**SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus and does not contain all of the information that is important to you. You should read carefully this entire proxy statement/prospectus, including the annexes, to fully understand the proposals to be voted on at the Annual General Meeting, including the proposal to adopt the domestication resolution. Please see the section entitled *Where You Can Find More Information and Incorporation by Reference* beginning on page 104 of this proxy statement/prospectus.*

***The Company (Page 16)***

We are currently a limited liability company (*naamloze vennootschap*) operating under the laws of Curaçao. We are a global medical device company focused on musculoskeletal healing products and value-added services. We have four strategic business units ( SBU's ) that are also our reporting segments: BioStim, Extremity Fixation, Spine Fixation, and Biologics. Our products are distributed by our sales representatives and distributors in over 60 countries.

Our offices in Curaçao are located at 7 Abraham de Veerstraat, Curaçao and our U.S. headquarters are located at 3451 Plano Parkway, Lewisville, Texas 75056. We intend to relocate our offices in Curaçao to our corporate headquarters in Lewisville, Texas following the domestication. Our phone numbers at these respective locations are 599-9-4658525 and (214) 937-2000, respectively, and our website is available at [www.orthofix.com](http://www.orthofix.com).

***The Annual General Meeting (Page 17)***

***Date, Time and Place.*** The Annual General Meeting will be held on July 17, 2018 at 11:00 a.m. Atlantic Standard Time (AST) at Orthofix's offices, located at 7 Abraham de Veerstraat, Curaçao.

***Purpose.*** At the Annual General Meeting, you will be asked to consider and vote on: (1) the adoption of the domestication resolution to change the jurisdiction of organization of the Company from Curaçao to the State of Delaware, (2) the election of nine directors to the Board, (3) the approval of the Company's consolidated balance sheet and consolidated statement of operations for the fiscal year ended December 31, 2017, (4) the approval, on an advisory and non-binding basis, of the compensation of the Company's named executive officers, (5) the approval of the Company's Amended and Restated 2012 Plan, (6) the approval of the SPP Amendment and (7) the ratification of the appointment of EY as the Company's independent registered accounting firm for the year ending December 31, 2018.

**The Board has unanimously approved the domestication and the other proposals described in this proxy statement/prospectus and has unanimously resolved to submit such proposals to the Company's shareholders. The Board recommends that you vote FOR the adoption of the domestication resolution, FOR the election of each of the director nominees, FOR the approval of the financial statements, FOR the approval, on a non-binding advisory basis, of the compensation of the Company's named executive officers, FOR the approval of the Amended and Restated 2012 Plan, FOR the approval of the SPP Amendment and FOR the ratification of EY.**

***Record Date; Voting Rights.*** Orthofix Curaçao's shareholders of record as of the close of business on May 24, 2018, the Record Date, will be entitled to vote at the Annual General Meeting.

***Quorum.*** The presence, in person or by proxy, of the holders of at least 50% of Orthofix Curaçao common shares outstanding on the Record Date is required to constitute a quorum at the Annual General Meeting.

**Required Vote.** The affirmative vote of the holders representing an absolute majority of the outstanding common shares as of the Record Date will be required in order to adopt the domestication resolution at the Annual General

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Meeting. Assuming a quorum is present, the nominees for election as directors in Proposal 2 will be elected upon the affirmative vote of a plurality of all votes cast at the Annual General Meeting. Assuming a quorum is present, the approval of the holders of a majority of the votes cast on Proposals 3, 4, 5, 6 and 7 at the Annual General Meeting will be required to approve each of these Proposals.

## ***The Domestication (Page 20)***

### **Overview**

We are asking our shareholders to adopt the domestication resolution to change the jurisdiction of organization of the Company from Curaçao to the State of Delaware. If the shareholders vote to adopt the domestication resolution, and the other conditions to completion of the domestication are satisfied, the Company anticipates that, on or prior to January 1, 2019, it will complete the domestication in accordance with the conversion procedures of Articles 304 and 305 of Book 2 of the Curaçao Civil Code and the domestication procedures of Section 388 of the Delaware General Corporation Law. On April 23, 2018, the Board unanimously approved the domestication and related transactions and unanimously resolved to propose the domestication resolution to the shareholders for adoption. The Board urges shareholders to join in supporting this important proposal.

If the domestication resolution is adopted by the requisite vote of our shareholders and the domestication is completed, the number of shares of common stock that you will own in Orthofix Delaware on the effective date of the domestication will be the same as the number of common shares you held in Orthofix Curaçao immediately prior to the effectuation of the domestication. Orthofix Delaware's common stock will continue to be traded on Nasdaq under the symbol OFIX.

### **Reasons for the Domestication**

The Board believes that the domestication will provide a number of significant potential strategic opportunities and benefits, including, among other things:

aligning our incorporation with our primary business operations, which are in the United States;

improving operational and financial flexibility by simplifying our corporate structure, which will allow for improved cash management capabilities and increased business efficiencies;

benefiting from the prominence, predictability and flexibility of Delaware law and a well-established corporate governance regime; and

positioning the Company to better respond to global tax developments.

### **The Domestication Transactions**

If the domestication resolution is adopted by the requisite vote of our shareholders at the Annual General Meeting and the other conditions to the domestication are satisfied, we anticipate the domestication will be completed on or before January 1, 2019. There are several principal steps to effect the domestication:

Shareholders of Orthofix will vote on whether to adopt the domestication resolution at the Annual General Meeting.

If the domestication resolution is adopted by the requisite vote of our shareholders, then a notarial deed of conversion documenting the domestication resolution will be executed in Curaçao. The notarial deed of conversion will contain conditions precedent (*opschortende voorwaarden*), such that (i) the Board must determine the effective date and time of the domestication, such effective date to be on or prior to January 1, 2019, and confirm that the domestication should not be delayed or abandoned and (ii) the

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conversion of Orthofix Curaçao pursuant to Articles 304 and 305 of Book 2 of the CCC will be effective only upon the acceptance and effectiveness of the Proposed Certificate of Incorporation and a certificate of corporate domestication by the Secretary of State of the State of Delaware (the Delaware SOS ).

Following adoption of the domestication resolution at the Annual General Meeting, and subject to satisfaction of the other conditions to completion of the domestication, as described under *Proposal 1: Domestication in Delaware Conditions to Completion of the Domestication*, the Proposed Certificate of Incorporation and a certificate of corporate domestication will be filed with the Delaware SOS and, upon acceptance of the filings (or such later time as is specified in the filings), Orthofix Delaware will exist as a Delaware corporation. These filings with the Delaware SOS are anticipated to be made and become effective on or before January 1, 2019, on such date as is determined by the Board.

As soon as possible following acceptance and effectiveness of the filings by the Delaware SOS, the notarial deed of conversion will be registered with the Curaçao Commercial Register.

The exchange of Orthofix Curaçao common shares into shares of Orthofix Delaware common stock will occur automatically upon acceptance and effectiveness of the filings by the Delaware SOS.

### **Conditions to Completion of the Domestication**

Prior to the Annual General Meeting, Orthofix is required to publish an announcement of its intent to change its jurisdiction of organization from Curaçao to the State of Delaware in a daily newspaper in Curaçao and in the Curaçao Gazette (*Curaçaosche Courant*) (collectively, the Publications ). Creditors and certain contracting parties of Orthofix have the right to object to the domestication by filing an opposition with a Curaçao court within one month of the Publications. Following the expiration of the one-month period, the Company must obtain a declaration from a Curaçao court confirming that no opposition was filed (the Curaçao Declaration ). The notarial deed of conversion cannot be executed and the domestication cannot be completed until the Company has received the Curaçao Declaration, or until opposition proceedings, if any, have been settled or dismissed. We expect to complete the Publications and, assuming there are no objections, receive the Curaçao Declaration prior to the Annual General Meeting. If a creditor or contracting party objects to the domestication, it may adversely impact the timing of the domestication.

In addition to receipt of the Curaçao Declaration, the Company's ability to initiate the filings in Delaware necessary to effectuate the domestication is conditioned on the following matters:

the Board has determined the effective date and time of the domestication, such effective date to be on or prior to January 1, 2019, and has confirmed that the domestication should not be delayed or abandoned;

the SEC has declared the registration statement on Form S-4 that includes this proxy statement/prospectus effective, and no stop order with respect thereto is in effect;

Nasdaq has approved the Orthofix Delaware common stock for listing; and



Orthofix is not subject to any decree, order or injunction that prohibits the consummation of the domestication.

If any of these conditions are not satisfied or waived by the Board, then the domestication will not be effectuated and the Proposed Organizational Documents will not become effective. In addition, the expected timing for the completion of the domestication may be impacted by these or other conditions described in this proxy statement/prospectus. We cannot be certain when, or if, the conditions to the domestication will be satisfied or waived, or that the domestication will be completed. As set forth in the domestication resolution, the Board is also

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authorized to delay or abandon the domestication at any time prior to the initiation of the filings in Delaware. In addition, if the domestication is not effectuated on or before January 1, 2019, we would need to ask shareholders to adopt a new domestication resolution in order to pursue a domestication transaction.

### **Regulatory Approvals Related to the Domestication**

Orthofix is not aware of any material regulatory approvals or actions that are required for completion of the domestication, other than as described above in *The Domestication Transactions* and *Conditions to Completion of the Domestication*. It is presently contemplated that if any such additional regulatory approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

### **No Dissenters Rights of Appraisal in the Domestication**

Under Curaçao and Delaware law and our Existing Articles of Association, our shareholders do not have statutory dissenters rights of appraisal or any other appraisal rights as a result of the domestication.

### **Interests of Certain Persons in the Domestication**

We do not believe that any of our directors or executive officers has an interest in the domestication that is different from the interests of our shareholders generally. No change in control payments or additional compensation will be payable to our directors or executive officers in connection with the domestication.

### ***Comparison of Corporate Governance and Shareholder Rights (Page 29)***

The domestication will change our jurisdiction of organization from Curaçao to the State of Delaware and, as a result, our organizational documents will change and will be governed by Delaware law rather than Curaçao law. The Proposed Organizational Documents and Delaware law contain provisions that may differ in certain respects from those in our Existing Articles of Association and Curaçao law. For a description of your rights following the domestication and how they may differ from your current rights, please see *Comparison of Corporate Governance and Shareholder Rights* beginning on page 29.

### ***Management (Page 44)***

We do not anticipate any changes to our Board or management team in connection with the domestication. See *Management* on page 44 of this proxy statement/prospectus for more information regarding our corporate governance, executive officers and Board, as well as detailed information regarding compensation of our named executive officers. At the Annual General Meeting, our shareholders will be asked to consider and vote on the election of nine directors to the Board, as well as the approval, on an advisory and non-binding basis, of the compensation of the Company's named executive officers.

### ***Risk Factors (Page 13)***

You should carefully consider all of the risk factors together with all of the other information included in this proxy statement/prospectus before deciding how to vote. The risks related to the domestication and the related transactions are described under the section *Risk Factors* beginning on page 13. We also urge you to review other risks detailed in our Annual Report on Form 10-K for the year ended December 31, 2017 (the 2017 Form 10-K) filed by the Company with the SEC and incorporated herein by reference. See also *Where You Can Find More Information and*

*Incorporation by Reference* on page 104 of this proxy statement/prospectus.

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***Material U.S. Federal Income Tax Considerations (Page 36)***

U.S. shareholders (as defined in *Material Tax Considerations U.S. Shareholders* below) may be subject to U.S. federal income tax as a result of the domestication. See *Material Tax Considerations* on page 36 of this proxy statement/prospectus for more information.

**You should consult your tax advisors with respect to the application of U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.**

**Table of Contents****SELECTED HISTORICAL FINANCIAL INFORMATION**

The following selected historical financial information for each of the years during the five-year period ended December 31, 2017 and the selected balance sheet data as of December 31 for each of the years in the five-year period ended December 31, 2017 have been derived from the Company's audited consolidated financial statements.

You should read the selected historical financial information below together with the consolidated financial statements and related notes thereto and management's discussion and analysis of financial condition and results of operations included in the 2017 Form 10-K filed by the Company with the SEC and incorporated herein by reference. A copy of the 2017 Form 10-K is also contained in the materials that we are sending you along with this proxy statement/prospectus.

U.S. Dollars, in thousands, except margin and per share data)	Year ended December 31,				
	2017	2016	2015	2014	2013
<b>Consolidated operating results</b>					
Net sales	\$ 433,823	\$ 409,788	\$ 396,489	\$ 402,277	\$ 397,611
Gross profit	340,786	321,935	309,964	303,365	290,699
Gross margin	79%	79%	78%	75%	73%
Operating income (loss) <sup>(1)</sup>	40,811	21,067	9,255	17,136	(11,192)
Net income (loss) from continuing operations	7,291	3,497	(2,342)	(3,744)	(18,205)
Net loss from discontinued operations	(1,068)	(441)	(467)	(4,793)	(10,607)
Net income (loss) <sup>(2)</sup>	\$ 6,223	\$ 3,056	\$ (2,809)	\$ (8,537)	\$ (28,812)
<b>Net income (loss) per common share - basic</b>					
Net income (loss) from continuing operations	\$ 0.40	\$ 0.19	\$ (0.12)	\$ (0.20)	\$ (0.97)
Net loss from discontinued operations	(0.06)	(0.02)	(0.03)	(0.26)	(0.57)
Net income (loss)	\$ 0.34	\$ 0.17	\$ (0.15)	\$ (0.46)	\$ (1.54)
<b>Net income (loss) per common share - diluted</b>					
Net income (loss) from continuing operations	\$ 0.39	\$ 0.19	\$ (0.12)	\$ (0.20)	\$ (0.97)
Net loss from discontinued operations	(0.05)	(0.02)	(0.03)	(0.26)	(0.57)
Net income (loss)	\$ 0.34	\$ 0.17	\$ (0.15)	\$ (0.46)	\$ (1.54)

<sup>(1)</sup> Includes the following:

Legal, accounting, and other professional fees incurred in 2017, 2016, 2015, 2014, and 2013 of \$3.4 million, \$2.0 million, \$9.1 million and \$15.6 million, and \$12.9 million, respectively, in connection with the accounting review and restatements through March 2015 and legal fees associated with the SEC Investigation, Securities Class Action Complaint and Brazil subsidiary compliance review. In addition, the Company received an insurance settlement related to these matters of approximately \$6 million in 2017

Charges related to U.S. Government resolutions in 2016 of \$14.4 million

Goodwill impairment charge in 2013 of \$19.2 million

(2) Dividends have not been paid in any of the years presented.

(U.S. Dollars, in thousands)	As of December 31,				
	2017	2016	2015	2014	2013
<b>Consolidated financial position</b>					
Total assets	\$ 405,354	\$ 372,103	\$ 400,222	\$ 392,956	\$ 411,975
Long-term debt					20,000
Shareholders' equity	296,608	263,477	290,311	299,627	295,863

**Table of Contents****MARKET PRICES AND DIVIDEND INFORMATION***Market Price for Common Shares*

The Company's common shares are currently listed on Nasdaq under the symbol OFIX. The following table presents trading information for the Company's common shares on February 23, 2018, the business date preceding the announcement that the Company was in the final stages of evaluating the domestication, and \_\_\_\_\_, the latest practicable trading day before the date of this proxy statement/prospectus, as reported by Nasdaq.

<b>Date</b>	<b>High</b>	<b>Low</b>	<b>Close</b>
February 23, 2018	\$ 54.48	\$ 53.25	\$ 53.68
	\$	\$	\$

The following table sets forth, for the periods indicated, the reported high and low sales prices of the Company's common shares as reported on Nasdaq and the quarterly cash dividends declared per share for each period.

	<b>High</b>	<b>Low</b>	<b>Dividend</b>
<b>2016</b>			
First Quarter	\$ 41.90	\$ 36.35	
Second Quarter	\$ 47.25	\$ 40.77	
Third Quarter	\$ 47.52	\$ 42.13	
Fourth Quarter	\$ 42.01	\$ 34.56	
<b>2017</b>			
First Quarter	\$ 39.91	\$ 34.47	
Second Quarter	\$ 46.60	\$ 36.40	
Third Quarter	\$ 49.89	\$ 43.05	
Fourth Quarter	\$ 55.25	\$ 48.22	
<b>2018</b>			
First Quarter	\$ 59.84	\$ 51.78	

Orthofix Delaware common stock will continue to be traded on Nasdaq following the completion of the domestication.

*Holder of Record*

As of the Record Date, there were approximately \_\_\_\_\_ holders of record of the Company's common shares.

*Dividends*

We have not paid dividends to holders of our common shares in the past and have no present intention to pay dividends in the foreseeable future. We currently intend to retain all of our consolidated earnings to finance the continued growth of our business.

In the event that we decide to pay a dividend to holders of our common stock following the domestication with dividends received from our subsidiaries, we may, based on prevailing rates of taxation, be required to pay additional withholding and income tax on such amounts.





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**RISK FACTORS**

*In addition to other information included elsewhere in this proxy statement/prospectus and in the annexes to this proxy statement/prospectus, including the matters addressed in the section entitled **Cautionary Statement Regarding Forward-Looking Statements**, you should carefully consider the following risk factors in deciding whether to vote for the proposal to adopt the domestication resolution. In addition, you should read and consider the risks associated with the business of Orthofix. These risks can be found in the 2017 Form 10-K, which report is incorporated by reference into this proxy statement/prospectus and a copy of which accompanies this proxy statement/prospectus. You should also read and consider other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. Please also see **Where you can Find More Information** on page 104.*

***Even if the domestication qualifies as a reorganization under Section 368(a) of the Internal Revenue Code, a U.S. shareholder may still recognize gain or other income with respect to their shares at the effective time of the domestication.***

U.S. shareholders (as defined in **Material Tax Considerations U.S. Shareholders** below) may be subject to U.S. federal income tax as a result of the domestication.

A U.S. shareholder who on the effective date of the domestication beneficially owns (actually or constructively) shares with a fair market value of \$50,000 or more, but less than 10% of the total value or voting power of Orthofix common shares, generally will recognize gain (but not loss) in respect of the domestication as if such holder exchanged its Orthofix Curaçao shares for Orthofix Delaware shares in a taxable transaction, unless such U.S. shareholder elects in accordance with applicable Treasury regulations to include in income the **all earnings and profits amount** (as defined in the Treasury regulations) attributable to the Orthofix common shares held directly by such holder. The date shares were acquired by a U.S. shareholder will impact whether such shareholder will have a positive or negative **all earnings and profits amount** in respect of such shares. See the section entitled **Material Tax Considerations U.S. Shareholders U.S. Shareholders That Own Less Than 10% Percent of Orthofix Curaçao** for a more detailed discussion of the **all earnings and profits amount** as it relates to U.S. shareholders who own (actually or constructively) shares with a fair market value of \$50,000 or more, but less than 10% of the total value or voting power of Orthofix shares.

A U.S. shareholder who on the effective date of the domestication owns (actually or constructively) 10% or more of the total value or voting power of Orthofix common shares will be required to include in income the **all earnings and profits amount** attributable to the Orthofix common shares held directly by such holder.

A U.S. shareholder who on the effective date of the domestication beneficially owns (actually or constructively) shares with a fair market value of less than \$50,000 should not be required to recognize any gain or loss under Section 367(b) of the Code in connection with the domestication, and generally should not be required to include any part of the **all earnings and profits amount** in income.

**YOU SHOULD CONSULT YOUR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF U.S. FEDERAL TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION.**

***The domestication resolution must be adopted by holders representing an absolute majority of the outstanding Orthofix common shares as of the Record Date in order to complete the domestication.***

The domestication cannot be completed unless the Orthofix shareholders adopt the domestication resolution by the affirmative vote of holders of an absolute majority of the outstanding Orthofix common shares as of the Record Date. If the shareholders of Orthofix do not adopt the domestication resolution by the requisite shareholder vote, the domestication and related transactions cannot be completed.

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### ***Your rights as a shareholder will change as a result of the domestication.***

Currently, your rights as a shareholder of the Company arise under the laws of Curaçao, as well as the Existing Articles of Association. Upon effectiveness of the domestication, your rights as a shareholder of the Company will arise under Delaware law, as well as the Proposed Organizational Documents. The Proposed Organizational Documents and Delaware law contain provisions that differ in certain respects from those in our Existing Articles of Association and Curaçao law and, therefore, some of your rights as a shareholder will change. For a description of your rights following the domestication and how they may differ from your current rights, please see *Comparison of Corporate Governance and Shareholder Rights* beginning on page 29. The forms of the Proposed Organizational Documents are attached hereto as Annex A and Annex B. We urge you to read them, as well.

### ***We expect to incur transaction costs in connection with the completion of the domestication and related transactions, some of which will be incurred whether or not the domestication is completed.***

We expect to incur significant transaction costs in connection with the domestication and related transactions. The substantial majority of these costs will be incurred regardless of whether the domestication is completed and prior to your vote to adopt the domestication resolution at the Annual General Meeting.

### ***We may choose to or need to defer the domestication, or we may abandon the domestication.***

Our Board may decide to defer or abandon the domestication at any time prior to the completion of the domestication. In addition, after the domestication resolution is adopted by shareholders, we will not effect the domestication if one of the conditions to the domestication fails to be satisfied.

Further, we are required to publish an announcement of our intent to change our jurisdiction of organization from Curaçao to the State of Delaware in certain Curaçao newspapers no more than three months and no less than five weeks prior to executing the notarial deed of conversion, which is necessary to effect the domestication. Following such Publications, our creditors and certain contracting parties have the right to object to the domestication by filing an opposition with a Curaçao court. If a creditor files such an objection, we may be unable to complete the domestication until the opposition proceedings, if any, have been settled or resolved. This could result in a delay in the completion of the domestication or our Board may decide to abandon the domestication. Further, if no objections are filed, we must obtain the Curaçao Declaration, a declaration from a Curaçao court confirming that no objection was made. We may experience delays in obtaining the Curaçao Declaration, which may delay completion of the domestication itself. If the domestication is delayed for this or any other reason, as described in *Proposal 1: Domestication in Delaware Conditions to Completion of the Domestication*, we may be required to re-publish the announcements in Curaçao newspapers, which will again require us to comply with the Curaçao publication requirements referenced above, and may provide our creditors and other contracting parties with another opportunity to file an objection. In addition, the domestication resolution provides that the domestication will be effectuated, if at all, on or before January 1, 2019. If the domestication has not been effectuated by this time, for whatever reason, we would need to ask shareholders to adopt a new domestication resolution in order to pursue a domestication transaction.

### ***Anti-takeover provisions in our Proposed Organizational Documents and under Delaware law could make an acquisition of us more difficult and limit attempts by our shareholders to replace or remove our current management.***

Both the Existing Organizational Documents and Proposed Organizational Documents contain anti-takeover provisions that may have the effect of delaying or preventing a change in control or changes in our management. The

Proposed Organizational Documents, which will be effective following the effectiveness of the domestication, include the following anti-takeover provisions:

the inability of our shareholders to act without a meeting of the shareholders;

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rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings; and

the ability of our directors, and not shareholders, to fill vacancies on the Board.

For a comparison of how these provisions may differ from your current rights, please see *Comparison of Corporate Governance and Shareholder Rights* beginning on page 29.

These provisions may frustrate or prevent any attempts by our shareholders to replace or remove our current management by making it more difficult for shareholders to replace members of our Board, which is responsible for appointing the members of our management, and may discourage, delay or prevent a transaction involving a change in control of the Company that is in the best interest of our minority shareholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if shareholders view them as discouraging future takeover attempts.

In addition, following the domestication, we will be subject to provisions of Delaware law, including Section 203 of the DGCL, which may prohibit certain stockholders holding 15% or more of Orthofix's outstanding capital stock from engaging in certain business combinations with us for a specified period of time.

***The Proposed Organizational Documents designate the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against us and our directors and officers.***

Curaçao law provides that the Curaçao Court of First Instance (*Rechter in Eerste Aanleg*) shall generally be the sole and exclusive forum for actions, suits or proceedings brought against the Company or any director, officer or other employee for breach of fiduciary duty. Delaware law does not specify an exclusive forum in this manner. However, the Proposed Bylaws, which would become effective upon completion of the domestication, provide that unless the Board otherwise determines, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to the company or our shareholders, any action asserting a claim against us or any of our directors or officers arising pursuant to any provision of the DGCL or Orthofix's governing documents, or any action asserting a claim against us or any of our directors or officers governed by the internal affairs doctrine. This exclusive forum provision may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors and officers.

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**THE COMPANY**

Orthofix Curaçao was formed in 1987 as a limited liability company operating under the laws of the Netherlands Antilles, and we now operate under the laws of Curaçao. Our offices in Curaçao are located at 7 Abraham de Veerstraat, Curaçao and our U.S. headquarters are located at 3451 Plano Parkway, Lewisville, Texas 75056. We intend to relocate our offices in Curaçao to our corporate headquarters in Lewisville, Texas following the domestication. Our phone numbers at these respective locations are 599-9-4658525 and (214) 937-2000, respectively, and our website is available at [www.orthofix.com](http://www.orthofix.com). Our common stock is traded on Nasdaq under the symbol OFIX.

In 2017, our primary business strategy was to accelerate our organic topline growth rate while maintaining Adjusted EBITDA margins. We believe that this strategy proved effective and resulted in us exceeding our growth expectations for the year. We are currently focused on continuing our organic growth momentum, expanding margins and actively pursuing value-accretive inorganic opportunities to further accelerate growth. We believe that we remain well-positioned to execute on both organic and inorganic strategic opportunities focused on accelerating shareholder value creation. Notable highlights and accomplishments in 2017 include the following:

Net sales were \$433.8 million, an increase of 5.9% on a reported basis and 5.5% on a constant currency basis; as net sales increased for each of our SBUs.

Net income from continuing operations was \$7.3 million, an increase of 108.5% from the prior year.

Non-GAAP Net margin, an internal metric that we define as gross profit less sales and marketing expense, was \$142.4 million, an increase of 1.3% from the prior year.

We manage our business by our four SBUs: BioStim, Extremity Fixation, Spine Fixation and Biologics, which accounted for 43%, 24%, 19%, and 14%, respectively, of our total net sales in 2017. The chart below presents net sales, which includes product sales and marketing service fees, by SBU for each of the years ended December 31, 2017, 2016, and 2015.

Over the three-year period ending December 31, 2017, Orthofix delivered total shareholder return of 82%, with an annual compound shareholder return of 22% during that same period. A \$100 investment in Orthofix's common stock at the beginning of 2015 would have grown to \$182 at the end of 2017, more than doubling the return of the S&P 500 over the same period.

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**THE ANNUAL GENERAL MEETING**

This proxy statement/prospectus is being furnished in connection with the solicitation of proxies from Orthofix shareholders for use at the Orthofix Annual General Meeting. This proxy statement/prospectus and accompanying form of proxy are first being mailed to Orthofix shareholders on or about , 2018. This proxy statement/prospectus provides Orthofix s shareholders with information they need to know to be able to vote or instruct their vote to be cast at the Annual General Meeting.

*Date, Time and Place*

The Annual General Meeting will be held on July 17, 2018, at 11:00 a.m. Atlantic Standard Time (AST), at Orthofix s offices, located at 7 Abraham de Veerstraat, Curaçao.

*Purpose of the Annual General Meeting*

At the Annual General Meeting, the Board will ask shareholders to vote on the following proposals:

to adopt the domestication resolution, a shareholders resolution to change the jurisdiction of organization of Orthofix from Curaçao to Delaware;

to elect the nine nominees named in this proxy statement/prospectus to the Board;

to approve the consolidated balance sheet and consolidated statement of operations at and for the fiscal year ended December 31, 2017;

to approve an advisory and non-binding resolution on the compensation of Orthofix s named executive officers as disclosed in this proxy statement/prospectus;

to approve the Amended and Restated 2012 Plan;

to approve the SPP Amendment;

to ratify the selection of EY as the independent registered public accounting firm for Orthofix and its subsidiaries for the fiscal year ending December 31, 2018; and

to transact such other business as may come before the Annual General Meeting or any adjournment or postponement thereof.

**The Board has unanimously approved the domestication and has unanimously resolved to propose the domestication resolution to the Company s shareholders for adoption. The domestication resolution must be adopted by the affirmative vote of holders representing an absolute majority of the outstanding common shares**

**on the Record Date in order for the Company to be able to effectuate the domestication. The Board urges shareholders to join Orthofix in supporting this important proposal and unanimously recommends that you vote FOR the proposal to adopt the domestication resolution.**

**The Board also unanimously recommends that you vote FOR the election of each of the director nominees, FOR the approval of the financial statements, FOR the approval, on a non-binding advisory basis, of the compensation of the Company's named executive officers, FOR the approval of the Amended and Restated 2012 Plan, FOR the approval of the SPP Amendment and FOR the ratification of EY.**

*Record Date*

All record holders of Orthofix common shares at the close of business on May 24, 2018, the Record Date, are being sent this proxy statement/prospectus and will be entitled to vote at the Annual General Meeting. Each record holder on such date is entitled to cast one vote per common share. As of the Record Date, there were                      Orthofix common shares outstanding.



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### ***Quorum, Vote Required***

The presence, in person or by proxy, of the holders of at least 50% of Orthofix Curaçao common shares outstanding on the Record Date is required to constitute a quorum at the Annual General Meeting. The affirmative vote of the holders representing an absolute majority of the outstanding common shares as of the Record Date will be required in order to adopt the domestication resolution (Proposal 1) at the Annual General Meeting. Assuming a quorum is present, the nominees for election as directors in Proposal 2 will be elected upon the affirmative vote of a plurality of all votes cast at the Annual General Meeting. Assuming a quorum is present, the approval of the holders of a majority of the votes cast on Proposals 3, 4, 5, 6, and 7 at the Annual General Meeting will be required to approve each of these Proposals.

Abstentions and broker non-votes are counted as shares that are present and entitled to vote on the proposals for purposes of determining the presence of a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Abstentions and broker non-votes will have the effect of a vote against Proposal 1. Neither abstentions nor broker non-votes will have any effect on the outcome of voting on Proposals 2, 3, 4, 5, 6 and 7.

If you are a record holder, you may cast your vote at <https://www.proxypush.com/ofix>. See your proxy voting card for your online control number in order to vote. If your common shares are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your common shares voted. All votes must be cast and received by 5:00 p.m., Eastern Daylight Time (EDT), on July 16, 2018.

### ***Proxies***

This proxy statement/prospectus is being furnished to holders of Orthofix common shares in connection with the solicitation of proxies by and on behalf of the Board for use at the Annual General Meeting.

All Orthofix common shares that are represented at the Annual General Meeting by properly executed proxies received prior to or at the Annual General Meeting and which are not validly revoked, will be voted at the Annual General Meeting in accordance with the instructions indicated on such proxies. If no instructions are indicated on a properly executed proxy, such proxy will be voted in favor of each of the proposals. The Board does not know of any other matters that are to be presented for consideration at the Annual General Meeting.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (1) filing with Orthofix, at or before the taking of the vote at the Annual General Meeting, a written notice of revocation bearing a later date than the proxy, or (2) duly executing a subsequent proxy relating to the same common shares and delivering it to Orthofix before the Annual General Meeting. Attending the Annual General Meeting will not in and of itself constitute the revocation of a proxy. Any written notice of revocation or subsequent proxy should be sent so as to be delivered to: Orthofix International N.V., 7 Abraham de Veerstraat, Curaçao, at or before the taking of the vote at the Annual General Meeting.

### ***Voting is Confidential***

We maintain a policy of keeping all proxies and ballots confidential.

### ***The Costs of Soliciting These Proxies and Who Will Pay for Them***

We will pay all the costs of soliciting these proxies, including reimbursing banks, brokers, nominees and other fiduciaries for the expenses they incur in forwarding the proxy materials to you. Although we are mailing these proxy materials, our directors and employees may also solicit proxies by telephone, fax or other electronic means

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of communication, or in person. We have engaged Saratoga to assist it in the solicitation of proxies. We estimate that we will pay Saratoga a fee of up to approximately \$20,000 for the services to be performed. We have also agreed to reimburse Saratoga for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation.

## ***The Voting Results***

We will publish the voting results from the Annual General Meeting in a Current Report on Form 8-K, which we will file with the SEC after the conclusion of the meeting. You will also be able to find the Form 8-K on our website at [www.orthofix.com](http://www.orthofix.com).

## ***Obtaining an Annual Report on Form 10-K***

We have filed our 2017 Form 10-K with the SEC. A copy of the 2017 Form 10-K is contained in the materials that we are sending you along with this proxy statement/prospectus. The 2017 Form 10-K is also available on our website at [www.orthofix.com](http://www.orthofix.com). If you would like to receive an additional copy of the 2017 Form 10-K, we will send you one free of charge. Please write to:

Orthofix International N.V.

c/o Orthofix Holdings, Inc.

3451 Plano Parkway

Lewisville, Texas 75056

Attention: Mr. Mark Quick, Investor Relations

You may also contact Mr. Quick at (214) 937-2924 or at [MarkQuick@orthofix.com](mailto:MarkQuick@orthofix.com).

## ***Whom to Call if You Have Any Questions***

If you have any questions about the Annual General Meeting, voting or your ownership of Orthofix common shares, please contact Saratoga, our proxy solicitor, by calling toll-free at (888) 368-0379. You may also contact Mr. Quick at (214) 937-2924 or at [MarkQuick@orthofix.com](mailto:MarkQuick@orthofix.com). Directions to the meeting can be found at <http://www.proxydocs.com/ofix>.

## ***Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting***

This proxy statement/prospectus, your proxy voting card and the 2017 Form 10-K are available at <http://www.proxydocs.com/ofix>.

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**PROPOSAL 1: DOMESTICATION IN DELAWARE**

*Overview*

We are asking our shareholders to adopt the domestication resolution to change the Company's jurisdiction of organization from Curaçao to the State of Delaware. If the shareholders vote to adopt the domestication resolution and the other conditions to the domestication are satisfied, the Company anticipates that, on or prior to January 1, 2019, it will complete the domestication in accordance with the conversion procedures of Articles 304 and 305 of Book 2 of the CCC and the domestication procedures of Section 388 of the DGCL. We refer to this as the domestication. Following the domestication, the Company will be renamed Orthofix Medical Inc.

On April 23, 2018, the Board unanimously approved the domestication and related transactions and unanimously resolved to propose the domestication resolution to the shareholders for adoption. The Board believes that the domestication will provide potential strategic opportunities and benefits, including: (i) aligning our incorporation with our primary business operations in the United States, (ii) improving operational and financial flexibility by simplifying our corporate structure, which will allow for improved cash management capabilities and increased business efficiencies, (iii) benefiting from the prominence, predictability and flexibility of Delaware law and a well-established corporate governance regime and (iv) positioning the Company to better respond to global tax developments. The Board urges shareholders to join in supporting this important proposal.

If the domestication resolution is adopted by the requisite vote of our shareholders and the other conditions to the domestication are satisfied, then, in connection with the domestication, Orthofix will replace the Existing Articles of Association, which are governed by Curaçao law, with the Proposed Organizational Documents, which will be governed by Delaware law. The Proposed Organizational Documents differ in certain respects from the Existing Articles of Association. We urge shareholders to carefully consider the information set out under *Comparison of Corporate Governance and Shareholder Rights*, as well as the Proposed Organizational Documents, attached hereto as Annex A and Annex B.

If the domestication resolution is adopted by the requisite vote of our shareholders and the other conditions to the domestication are satisfied, the number of shares of common stock that you will own in Orthofix Delaware on the effective date of the domestication will be the same as the number of common shares of Orthofix Curaçao that you held immediately prior to the effectuation of the domestication. Orthofix Delaware's common stock will continue to be traded on Nasdaq under the symbol OFIX.

***Reasons for the Domestication***

The Board believes that there are significant potential strategic opportunities and benefits to Orthofix and our shareholders that will arise as a result of a change of domicile to Delaware, including:

***Alignment with our U.S. Operations.*** A significant portion of our business operations, including our headquarters, are located in the United States. Our common shares have been listed on Nasdaq for over 25 years, and most of our shareholders reside in the United States. Despite this connection with the United States, we believe we are not uniformly perceived by investors, customers, lenders, employees or potential strategic partners as a U.S. company. Our Board believes that the absence of a clear U.S. identity may prevent us from maximizing the opportunities and relationships with investors, existing and potential customers, lenders and potential partners, many of whom prefer to engage in business with a U.S. entity. By changing our jurisdiction of organization from Curaçao to the State of Delaware, we will firmly and

unambiguously establish ourselves as a U.S. corporation. This will level the playing field with our principal competitors, many of whom are U.S. corporations. In addition, we intend to relocate our offices in Curaçao to our corporate headquarters in Lewisville, Texas following the domestication.

***Simplified Corporate Structure, Improved Cash Management Capabilities and Increased Business Efficiencies.*** We believe that the domestication will result in a simplified corporate structure, which

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will improve our operational and financial flexibility. In connection with the change of jurisdiction to Delaware, we intend to eliminate redundant legal entities and activities in our corporate structure in order to maximize legal, administrative and other efficiencies associated with a more streamlined U.S.-based corporate governance structure. We believe that these changes will also allow us to improve our cash management capabilities and make our business more efficient primarily by eliminating unnecessary administrative cash management procedures and minimizing the costs associated with intercompany cash flows.

***Prominence, Predictability and Flexibility of Delaware Law.*** For many years, Delaware has followed a policy of encouraging incorporation in its state and, in furtherance of that policy, has been a leader in adopting, construing, and implementing comprehensive, flexible corporate laws responsive to the legal and business needs of corporations organized under its laws. Many corporations have chosen Delaware initially as a state of incorporation or have subsequently changed corporate domicile to Delaware. Because of Delaware's prominence as the state of incorporation for many major corporations, both the legislature and courts in Delaware have demonstrated the ability and a willingness to act quickly and effectively to meet changing business needs. The DGCL is frequently revised and updated to accommodate changing legal and business needs and is more comprehensive, widely used and interpreted than other state corporate laws. This favorable corporate and regulatory environment is attractive to businesses such as ours. Based on publicly available data, over half of publicly-traded corporations in the United States and over 60% of all Fortune 500 companies are incorporated in Delaware.

***Well-Established Principles of Corporate Governance.*** There is substantial judicial precedent in the Delaware courts as to the legal principles applicable to measures that may be taken by a corporation and to the conduct of a corporation's board of directors, such as under the business judgment rule and other standards. Because the judicial system is based largely on legal precedents, the abundance of Delaware case law provides clarity and predictability to many areas of corporate law. Such clarity would be advantageous to Orthofix, its Board and its management to make corporate decisions and take corporate actions with greater assurance as to the validity and consequences of those decisions and actions. Further, investors and securities professionals are generally more familiar with Delaware corporations, and the laws governing such corporations, increasing their level of comfort with Delaware corporations relative to other jurisdictions. The Delaware courts have developed considerable expertise in dealing with corporate issues, and a substantial body of case law has developed construing Delaware law and establishing public policies with respect to corporate legal affairs. Moreover, Delaware's vast body of law on the fiduciary duties of directors provides appropriate protection for Orthofix's shareholders from possible abuses by directors and officers.

***Positioned to Better Respond to Global Tax Developments.*** Recent global tax developments, particularly legislative and regulatory activity stemming from the Organisation for Economic Cooperation and Development's (OECD) Base Erosion and Profit Shifting initiative, have given rise to increased focus on companies' global tax footprints. The initiative suggests a range of new approaches that national governments might adopt when taxing the activities of multinational enterprises. As a result of the OECD project and other international initiatives, tax laws that currently apply to our business may be amended by the relevant authorities or interpreted differently by them, and these changes may present risks to our Company. By better aligning our corporate structure with our primary business functions, we believe that we will more fully benefit from the expenses supporting our US operations, which will improve our effective tax rate; also with this improved alignment, we may be able to reduce risks associated with tax authority challenges

stemming from these and other potential changes. Further, the United States recently adopted tax reform legislation commonly known as the Tax Cuts and Jobs Act (the Tax Act ), which we expect will positively impact our global effective tax rate and after-tax earnings in the United States, resulting in increased cash flow and enhanced ability to centralize cash for more efficient deployment. The Tax Act was signed into law on December 22, 2017, and reduces the federal corporate tax rate in the United States from 35% to 21%, effective January 1, 2018.

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As a result of the foregoing advantages of domestication in Delaware, the Board believes that the domestication will generally improve the Company's operational and financial flexibility and provide for a more efficient corporate structure to achieve strategic and financial goals. Further, the Board believes that any direct benefit that the domestication in Delaware provides to the Company also indirectly benefits the shareholders, who are the owners of the Company.

### ***The Domestication Transactions***

If the domestication resolution is adopted by the requisite vote of our shareholders at the Annual General Meeting and the other conditions to the domestication are satisfied, we anticipate the domestication will be completed on or before January 1, 2019. There are several principal steps to effect the domestication:

Shareholders of Orthofix will vote on whether to adopt the domestication resolution at the Annual General Meeting.

If the domestication resolution is adopted by the requisite vote of our shareholders at the Annual General Meeting, then a notarial deed of conversion documenting the domestication resolution will be executed in Curaçao, together with certain required documentation attached, including (i) the Proposed Certificate of Incorporation, (ii) a legal opinion from Delaware counsel confirming the continued existence of Orthofix as a Delaware entity following the domestication, (iii) copies of the Publications, (iv) the domestication resolution and (v) the Curaçao Declaration. The notarial deed of conversion cannot be executed until the completion of the Publications and receipt of the Curaçao Declaration, as discussed below in *Conditions to Completion of the Domestication*. The notarial deed of conversion will contain conditions precedent (*opshortende voorwaarden*), such that (i) the Board must determine the effective date and time of the domestication, such effective date to be on or prior to January 1, 2019, and confirm that the domestication should not be delayed or abandoned and (ii) the conversion of Orthofix Curaçao pursuant to Articles 304 and 305 of Book 2 of the CCC will be effective only upon the acceptance and effectiveness of the Proposed Certificate of Incorporation and a certificate of corporate domestication by the Delaware SOS.

Following adoption of the domestication resolution at the Annual General Meeting, and subject to satisfaction of the conditions to completion of the domestication, as described under *Conditions to Completion of the Domestication*, the Proposed Certificate of Incorporation and a certificate of corporate domestication will be filed with the Delaware SOS and, subject to acceptance and effectiveness of the filings, Orthofix Delaware will exist as a Delaware corporation. These filings with the Delaware SOS are anticipated to be made on or before January 1, 2019, on such date as is determined by the Board.

As soon as possible following acceptance of the filings by the Delaware SOS and their becoming effective, the notarial deed of conversion will be registered with the Curaçao Commercial Register.

Upon submission of the notarial deed of conversion and related documentation to the Curaçao Commercial Register, the Curaçao Commercial Register will reflect the domestication.



As a result of the foregoing, shareholders of Orthofix Curaçao will become shareholders of Orthofix Delaware and their rights will be governed by the DGCL and the Proposed Organizational Documents. The exchange of Orthofix Curaçao common shares into shares of Orthofix Delaware common stock will occur automatically at the effective time of the filings with the Delaware SOS. See *Exchange of Shares* below for additional information.

Our Board may decide to abandon the domestication at any time prior to consummation of the domestication, in which case we will not undertake to complete the domestication transactions described above. See *Termination* below for additional information.

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### ***Conditions to Completion of the Domestication***

Prior to the Annual General Meeting, Orthofix is required to publish the Publications announcing its intent to change its jurisdiction of organization from Curaçao to the State of Delaware. Creditors and certain contracting parties of Orthofix have the right to object to the domestication by filing an opposition with a Curaçao court within one month of the Publications. Following the expiration of the one-month period, the Company must obtain a declaration from a Curaçao court confirming that no opposition was filed, which we refer to as the Curaçao Declaration. The notarial deed of conversion cannot be executed, and therefore the domestication cannot be completed, until the Company has received the Curaçao Declaration, or until opposition proceedings, if any, have been settled or dismissed. We expect to complete the Publications and, assuming there are no objections, receive the Curaçao Declaration prior to the Annual General Meeting. If a creditor or contracting party objects to the domestication, it may adversely impact the timing of the domestication.

In addition to receipt of the Curaçao Declaration, the Company's ability to initiate the filings in Delaware necessary to effectuate the domestication is also conditioned on the following matters:

the Board has determined the effective date and time of the domestication, such effective date to be on or prior to January 1, 2019, and has confirmed that the domestication should not be delayed or abandoned;

the SEC has declared the registration statement on Form S-4 that includes this proxy statement/prospectus effective, and no stop order with respect thereto is in effect;

Nasdaq has approved the Orthofix Delaware common stock for listing; and

Orthofix is not subject to any decree, order or injunction that prohibits the consummation of the domestication.

If any of these conditions are not satisfied or waived by the Board, then the domestication will not be effectuated and the Proposed Organizational Documents will not become effective. In addition, the expected timing for the completion of the domestication may be impacted by these or other conditions described in this proxy statement/prospectus. We cannot be certain when, or if, the conditions to the domestication will be satisfied or waived, or that the domestication will be completed. As set forth in the domestication resolution, the Board is also authorized to delay or abandon the domestication at any time prior to the initiation of the filings in Delaware. In addition, if the domestication is not effectuated on or before January 1, 2019, we would need to ask shareholders to adopt a new domestication resolution in order to pursue a domestication transaction.

### ***Regulatory Approvals Related to the Domestication***

Orthofix is not aware of any material regulatory approvals or actions that are required for completion of the domestication, other than as described above in *The Domestication Transactions* and *Conditions to Completion of the Domestication*. It is presently contemplated that if any such additional regulatory approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

*Exchange of Shares*

The exchange of Orthofix Curaçao common shares into shares of Orthofix Delaware common stock will occur automatically upon the effectiveness of the filing of the Proposed Certificate of Incorporation and a certificate of corporate domestication with the Delaware SOS.

Beneficial holders of shares held in street name through a bank, broker or other nominee and record owners of shares held in book-entry form will not be required to take any action. Your ownership of Orthofix Delaware common stock will be recorded in book-entry form by your nominee (for shares held in street name ) or by our

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transfer agent (for shares held by record owners in book-entry form), without the need for any additional action on your part. Holders of record who hold their shares in book-entry form will receive a statement of their holdings in Orthofix Delaware after the domestication.

Stock certificates representing Orthofix Curaçao common shares will, at the effective time of the domestication, automatically represent the same number of shares of Orthofix Delaware common stock. You will not be required to exchange your stock certificates as a result of the domestication. If you desire to sell some or all of your Orthofix Curaçao common shares after the effective time of the domestication, delivery of the stock certificate or certificates which previously represented Orthofix Curaçao common shares will be sufficient.

Following the domestication, certificates bearing the name of Orthofix Delaware will be issued in the normal course upon surrender of outstanding Orthofix Curaçao certificates for transfer or exchange. Holders who submit Orthofix Curaçao certificates for transfer or exchange following the domestication will receive shares of Orthofix Delaware common stock in book-entry form unless otherwise requested.

### ***No Dissenters Rights of Appraisal in the Domestication***

Under Curaçao and Delaware law and our Existing Articles of Association, our shareholders do not have statutory dissenters rights of appraisal or any other appraisal rights as a result of the domestication.

### ***Termination***

If the domestication resolution is adopted by the requisite vote of our shareholders, the Board will be authorized to delay or abandon the domestication at any time prior to the initiation of the filings in Delaware. In addition, the domestication resolution provides that the domestication will be effectuated on or before January 1, 2019, on such date as determined by the Board. If the domestication has not been effectuated by this time, for whatever reason, we would need to ask shareholders to adopt a new domestication resolution in order to pursue a domestication transaction.

### ***Orthofix Management***

We do not anticipate any changes to the Board or management in connection with the domestication. Please see *Management* beginning on page 44 for more detailed information about our directors and executive officers.

### ***Interests of Certain Persons in the Domestication***

We do not believe that any of our directors or executive officers has an interest in the domestication that is different from the interests of our shareholders generally. No change in control payments or additional compensation will be payable to our directors or executive officers in connection with the domestication.

### ***Anticipated Accounting Treatment***

There will be no accounting effect or change in the carrying amount of the consolidated assets and liabilities of Orthofix as a result of domestication. The business, capitalization, assets and liabilities and financial statements of Orthofix immediately following the domestication will be the same as those of Orthofix immediately prior to the domestication.

### ***Material U.S. Federal Income Tax Considerations***

Please see the section entitled *Material Tax Considerations* beginning on page 36 for a discussion of material U.S. federal income tax consequences of the domestication. Notably, U.S. shareholders (as defined in *Material Tax Considerations U.S. Shareholders* below) may be subject to U.S. federal income tax as a result of the domestication.

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A U.S. shareholder who on the effective date of the domestication beneficially owns (actually or constructively) shares with a fair market value of less than \$50,000 should not be required to recognize any gain or loss under Section 367(b) of the Code in connection with the domestication, and generally should not be required to include any part of the all earnings and profits amount in income.

A U.S. shareholder who on the effective date of the domestication beneficially owns (actually or constructively) shares with a fair market value of \$50,000 or more, but less than 10% of the total value or voting power of Orthofix shares, generally will recognize gain (but not loss) in respect of the domestication as if such holder exchanged its Orthofix Curaçao shares for Orthofix Delaware shares in a taxable transaction, unless such U.S. shareholder elects in accordance with applicable Treasury regulations to include in income the all earnings and profits amount (as defined in the Treasury regulations) attributable to the Orthofix shares held directly by such holder. See the section entitled *Material Tax Considerations U.S. Shareholders U.S. Shareholders That Own Less Than 10% Percent of Orthofix Curaçao* for a more detailed discussion of the all earnings and profits amount as it relates to U.S. shareholders who own (actually or constructively) shares with a fair market value of \$50,000 or more, but less than 10% of the total value or voting power of Orthofix shares.

A U.S. shareholder who on the effective date of the domestication owns (actually or constructively) 10% or more of the total value or voting power of Orthofix shares will be required to include in income the all earnings and profits amount attributable to the Orthofix shares held directly by such holder.

**YOU SHOULD CONSULT YOUR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF U.S. FEDERAL TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION.**

***Vote Required for Adoption***

The adoption of the domestication resolution requires the affirmative vote of holders representing an absolute majority of the outstanding common shares as of the Record Date. Abstentions and broker non-votes are counted as votes against Proposal 1.

***Resolution to be Voted Upon***

Based on the foregoing, the Board unanimously recommends that shareholders vote in favor of the domestication resolution, to be adopted in the following form:

**RESOLVED, (1) to convert Orthofix International N.V. (the Company ) from a Curaçao limited liability company into a Delaware corporation (the Conversion ) on or prior to January 1, 2019 (on such date as determined by the board of directors of the Company (the Board )), subject to: (i) the condition precedent of the filing of a certificate of corporate domestication and certificate of incorporation (the Delaware Documentation ) with the Secretary of State of the State of Delaware (the Delaware SOS ) (the Conversion to be effective as of such filing of the Delaware Documentation or at such later effective time as may be specified in the Delaware Documentation) in accordance with Section 388 and other applicable provisions of the Delaware General Corporation Law; and (ii) the condition precedent of the Board having confirmed not to see any reason to delay or abandon the Conversion at any time prior to the filing of the Delaware Documentation with the Delaware SOS; and (2) authorize each employee working at STvB Advocaten, both jointly and severally, to sign the notarial deed of conversion relating to the Conversion before a Curaçao notary.**

**The Board unanimously recommends that you vote FOR the proposal  
to adopt the domestication resolution.**

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**DESCRIPTION OF ORTHOFIX CAPITAL STOCK**

*The following description of the Orthofix Delaware common stock reflects our common stock as it will exist upon completion of the domestication, as governed by our new certificate of incorporation and bylaws and by Delaware law. This description is a summary. We urge you to read the forms of our Proposed Certificate of Incorporation and Proposed Bylaws in their entirety, which are attached as Annex A and Annex B, respectively, to the proxy statement/prospectus.*

***General***

We were formed in 1987 as a limited liability company operating under the laws of the Netherlands Antilles, and we now operate under the laws of Curaçao. If the domestication resolution is adopted by the requisite vote of our shareholders, we will change our organization and jurisdiction from a limited liability company (*naamloze vennootschap*) organized under the laws of Curaçao to a corporation organized in the State of Delaware, and will replace the Existing Articles of Association, which are governed by Curaçao law, with the Proposed Organizational Documents, which will be governed by Delaware law. Upon our Proposed Certificate of Incorporation and the certificate of domestication becoming effective in Delaware, our existence shall be deemed to have commenced on the date we commenced our existence under the laws of Curaçao.

***Authorized Share Capital***

Until the effective time of the domestication, Orthofix will not have any Delaware share capital and will not exist as a Delaware entity. Upon the effectiveness of the domestication, Orthofix Delaware's authorized share capital will consist of 50,000,000 shares of common stock, par value \$0.10 per share. The amount of authorized shares of common stock of Orthofix Delaware will be the same as the amount of authorized common shares of Orthofix Curaçao prior to the domestication. The Proposed Certificate of Incorporation does not provide for the issuance of preferred stock.

***Common Stock***

As of the Record Date, we had \_\_\_\_\_ common shares outstanding. Upon effectiveness of the domestication, each common share of Orthofix Curaçao will automatically convert by operation of law into one share of common stock of Orthofix Delaware.

Orthofix Delaware's common stock will carry the following rights:

*Voting.* Except as otherwise required by law, the holders of Orthofix Delaware common stock will possess all voting power for the election of Orthofix's directors and all other matters requiring shareholder action and will at all times vote together as one class on all matters submitted to a vote of the shareholders. Holders of Orthofix Delaware common stock are entitled to one vote per share on matters to be voted on by shareholders. There will be no cumulative voting rights with respect to the election of directors or any other matters.

*Dividends and distributions.* The holders of Orthofix Delaware common stock will have the right to receive dividends and distributions, whether payable in cash or otherwise, as may be declared from time to time by its board of directors, from legally available funds.



*Liquidation, dissolution or winding up.* In the event of the liquidation, dissolution or winding-up of Orthofix Delaware, holders of its common stock will be entitled to participate in the distribution of any assets of the Company remaining after payment of all creditors and the liquidation preferences of any preferred stock that may be outstanding at the time.

*Restrictions on transfer.* Neither the Proposed Certificate of Incorporation nor the Proposed Bylaws contain any restrictions on the transfer of its common stock. However, in the case of any transfer of shares, there may be restrictions imposed by applicable securities laws or by the terms of restricted share award grants.

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*Redemption, conversion or preemptive rights.* Holders of Orthofix Delaware common stock will have no preemptive or other subscription rights and there will be no sinking fund or redemption provisions applicable to Orthofix Delaware common stock.

### ***Dividends***

We have not paid dividends to holders of Orthofix Curaçao common shares in the past and have no present intention to pay dividends to holders of our Orthofix Delaware common stock in the foreseeable future. We currently intend to retain all of our consolidated earnings to finance the continued growth of our business.

In the event that we decide to pay a dividend to holders of our common stock following the domestication with dividends received from our subsidiaries, we may, based on prevailing rates of taxation, be required to pay additional withholding and income tax on such amounts.

The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of the domestication. The payment of any cash dividends subsequent to the domestication will be within the discretion of the Board at such time. Further, if we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

### ***Certain Anti-Takeover Provisions of Delaware Law and the Proposed Organizational Documents***

Both the Existing Organizational Documents and Proposed Organizational Documents contain anti-takeover provisions that may have the effect of delaying or preventing a change in control or changes in our management. The Proposed Organizational Documents, which will be effective following the effectiveness of the domestication, include the following anti-takeover provisions:

the inability of our shareholders to act without a meeting of the shareholders;

rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings; and

the ability of our directors, and not shareholders, to fill vacancies on the Board.

For a comparison of how these provisions may differ from your current rights, please see *Comparison of Corporate Governance and Shareholder Rights* beginning on page 29.

These provisions may frustrate or prevent any attempts by our shareholders to replace or remove our current management by making it more difficult for shareholders to replace members of our Board, which is responsible for appointing the members of our management, and may discourage, delay or prevent a transaction involving a change in control of the Company that is in the best interest of our minority shareholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if shareholders view them as discouraging future takeover attempts.

In addition, following the domestication, we will be subject to provisions of Delaware law, including Section 203 of the DGCL. Section 203 of the DGCL prohibits a Delaware corporation from engaging in a business combination with

an interested stockholder for three years following the date that such person becomes an interested stockholder, unless certain exceptions apply. With certain exceptions, an interested stockholder is a person or group who or which owns 15% or more of the corporation's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of 15% or more of such voting stock at any time within the previous three years.

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For purposes of Section 203 of the DGCL, the term "business combination" is defined broadly to include (i) mergers with or caused by the interested stockholder, (ii) sales or other dispositions to the interested stockholder (except proportionately with the corporation's other stockholders) of assets of the corporation or a subsidiary equal to 10% or more of the aggregate market value of the corporation's consolidated assets or its outstanding stock, (iii) the issuance or transfer by the corporation or a subsidiary of stock of the corporation or such subsidiary to the interested stockholder, or (iv) receipt by the interested stockholder (except proportionately as a stockholder), directly or indirectly, of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or a subsidiary.

The three-year moratorium imposed on business combinations by Section 203 does not apply under the following situations: (i) prior to the date on which such stockholder becomes an interested stockholder, the board of directors approved the business combination or the transaction which resulted in the person becoming an interested stockholder, (ii) the interested stockholder owns 85% of the corporation's voting stock upon consummation of the transaction which made him or her an interested stockholder, or (iii) on or after the date such person becomes an interested stockholder, the business combination is approved by the board of directors and is also approved at a stockholder meeting by 66-2/3% of the voting stock not owned by the interested stockholder.

Section 203 of the DGCL only applies to Delaware corporations which have a class of voting stock that is listed on a national securities exchange or held of record by more than 2,000 stockholders.

## ***Listing of Securities***

Orthofix Curaçao's common shares are listed on Nasdaq under the symbol "OFIX". Orthofix Delaware's common stock will continue to be listed on Nasdaq under the symbol "OFIX".

## ***Transfer Agent***

The transfer agent for Orthofix Curaçao common shares is Computershare Trust Company, N.A., which is located at PO Box 505000, Louisville, KY 40233-5000. Computershare will continue as the transfer agent for shares of Orthofix Delaware common stock following the domestication.

**Table of Contents****COMPARISON OF CORPORATE GOVERNANCE AND SHAREHOLDER RIGHTS**

Currently, your rights as a shareholder of Orthofix Curaçao arise under the laws of Curaçao, as well as our Existing Articles of Association. Upon effectiveness of the domestication, your rights as a shareholder of Orthofix Delaware will arise under Delaware law and our Proposed Organizational Documents, including our Proposed Certificate of Incorporation and Proposed Bylaws. Delaware law and the Proposed Organizational Documents contain provisions that differ in certain respects from Curaçao law and our Existing Articles of Association and, therefore, some of your rights as a shareholder will change.

Below is a summary chart outlining important similarities and differences in the corporate governance and shareholder rights associated with each of Curaçao and Delaware corporate law, as well as the Existing Articles of Association and the Proposed Organizational Documents. You also should review the Proposed Certificate of Incorporation and Proposed Bylaws that are attached hereto as Annex A and Annex B, respectively, as well as the corporate laws of Curaçao and Delaware corporate law, to understand how these laws apply to Orthofix shareholders before and after the domestication.

	<b>Curaçao</b>	<b>Delaware</b>
<b>Authorized Shares</b>	50,000,000 common shares, par value \$0.10 per share.	50,000,000 shares of common stock, par value \$0.10 per share.
<b>Shareholder Approval of Amendments to the Governing Documents</b>	Approval of an amendment to the Existing Articles of Association requires the affirmative vote of shareholders in person or represented by proxy and entitled to vote representing an absolute majority of the common shares issued and outstanding.	Approval of an amendment to the Proposed Certificate of Incorporation requires the affirmative vote of a majority of the shares of common stock issued and outstanding.  Approval of an amendment to the Proposed Bylaws requires the affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote.
<b>Shareholder Approval of Routine Matters</b>	Approval of routine corporate matters that are put to a shareholder vote require the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote.	The Board also has the authority to amend the Proposed Bylaws without shareholder approval.  Approval of routine corporate matters that are put to a shareholder vote require the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote.

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	<b>Curaçao</b>	<b>Delaware</b>
<b>Shareholder Approval of Business Combinations</b>	Approval of a merger or any sale or disposition of all or substantially all of the assets of a company requires the affirmative vote of shareholders in person or represented by proxy and entitled to vote representing an absolute majority of the common shares issued and outstanding. Where a company will be the surviving entity in a merger, the board of directors may resolve to merge the Company without a shareholder vote, subject to certain limitations, unless one or more shareholders representing at least 10% of the shares of common stock issued and outstanding timely request that the board of directors call a general meeting of shareholders.	<p>Mergers, consolidations or a sale of all or substantially all of the assets of a corporation generally requires the affirmative vote of a majority of all shares of common stock issued and outstanding.</p> <p>Mergers in which a corporation is the surviving corporation and less than 20% of its stock is issued in the merger generally do not require approval of that corporation's stockholders.</p> <p>Mergers in which one corporation owns 90% or more of a second corporation generally may be completed without the vote of the second corporation's board of directors or shareholders.</p>
<b>Appraisal Rights</b>	Generally a shareholder of a publicly traded company does not have appraisal rights in connection with a merger.	Delaware law provides that under certain circumstances, minority shareholders that dissent from a merger are entitled to be paid the fair market value of their shares, as ultimately determined by the Delaware Court of Chancery. Generally a shareholder of a publicly traded company does not have appraisal rights in connection with a merger if the consideration received in the merger is publicly traded stock.
<b>Action by Written Consent of Shareholders</b>	The Existing Articles of Association do not provide for action by written consent of the shareholders.	The Proposed Certificate of Incorporation prohibits the ability of shareholders to act by written consent in lieu of a meeting.

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	<b>Curaçao</b>	<b>Delaware</b>
<b>Special Meetings of Shareholders</b>	<p>Under the Existing Articles of Association, special meetings of shareholders may be called upon the direction of the Chairman, the Vice Chairman or by resolution of the Board. In addition, Curaçao law provides that shareholders representing at least 10% of the shares of common stock issued and outstanding may request that the Board convene a special meeting to deliberate on a specific subject, provided such shareholders have a reasonable interest therein. If the Board fails to act upon a valid request within 14 days, the applicants are permitted to proceed towards convening the meeting.</p>	<p>Delaware law provides that special meetings of shareholders may be called by the board of directors or by such person(s) as may be authorized by the company's certificate of incorporation or bylaws. The Proposed Bylaws permit special meetings of the shareholders to be called by (i) the Board, pursuant to a resolution approved by a majority of the Board, and (ii) the Secretary of the Company, upon a request of shareholders holding at least 25% of the shares of common stock issued and outstanding, so long as any such request is submitted in accordance with and in the form required by the Proposed Bylaws.</p>
<b>Exclusive Jurisdiction</b>	<p>The Existing Articles of Association do not include an exclusive jurisdiction provision, however, Curaçao law generally provides that the Curaçao Court of First Instance (<i>Rechter in Eerste Aanleg</i>) shall be the sole and exclusive forum for actions, suits or proceedings brought against the Company or any director, officer or other employee for breach of fiduciary duty.</p>	<p>The Proposed Bylaws provide that, unless Orthofix otherwise consents in writing, the Court of Chancery of the State of Delaware (or, where the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, the Superior Court of the State of Delaware, or, if the Superior Court of the State of Delaware lacks subject matter jurisdiction, the U.S. District Court for the District of Delaware) shall generally be the sole and exclusive forum for actions, suits or proceedings brought against the Company or any director, officer or other employee for breach of fiduciary duty, including, amongst others, with respect to any derivative claim, claim of breach of fiduciary duty, claim related to any provision of the DGCL or the Proposed Organizational Documents.</p>

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	<b>Curaçao</b>	<b>Delaware</b>
<b>Annual General Meeting / Annual Meeting</b>	<p>The Existing Articles of Association provide that the annual general meeting must be held in Curaçao.</p> <p>The Existing Articles of Association provide that the annual general meeting must be held within nine months after the end of the preceding fiscal year.</p> <p>The Existing Articles of Association provide that at the annual general meeting, among other things, (i) the Board shall report on the business of the Company, (ii) the annual accounts, including the balance sheet and the profit and loss statement, will be submitted to the shareholders for approval and (iii) the appointment of the accountants will be ratified.</p>	<p>The Proposed Bylaws provide that the annual meeting may be held at any location, in or outside of the State of Delaware, as the Board shall determine. The annual meeting may also be held remotely, at the discretion of the Board.</p> <p>The timing of the annual meeting is not addressed in the Proposed Organizational Documents. The Company will adhere to the laws of the State of Delaware and the rules and regulations promulgated by the SEC and Nasdaq with respect to the timing of the annual meeting.</p> <p>The Proposed Bylaws provide for certain procedures related to the annual meeting, including with respect to the Chief Executive Officer's right to preside at such meeting. The substance of the annual meeting is not otherwise addressed in the Proposed Organizational Documents. The Company will adhere to the laws of the State of Delaware and the rules and regulations promulgated by the SEC and Nasdaq with respect to the procedures related to the annual meeting.</p>



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	<b>Curaçao</b>	<b>Delaware</b>
<b>Advance Notice for Shareholder Proposals</b>	Advance notice requirements for shareholder proposals are not addressed in the Existing Articles of Association.	The Proposed Bylaws provide that, to be timely, a shareholder's notice relating to an annual meeting proposal or nomination must be received by the Secretary of the Company not later than the close of business on the 90th day and not earlier than the close of business on the 120th day before the date of the one-year anniversary of the immediately preceding year's annual meeting (provided, however, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder must be so delivered, or mailed and received, not earlier than the close of business on the 120th day before such annual meeting and not later than the close of business on the later of the 90th day before such annual meeting or the 10th business day following the day on which public announcement of the date of such meeting is first made by the Company).
<b>Election of Directors</b>	Directors are elected by a plurality of the votes cast on the shares held by the holders present in person or represented by proxy and entitled to vote.	Directors are elected by a plurality of the votes cast on the shares held by the holders present in person or represented by proxy and entitled to vote.
<b>Board Vacancies</b>	In the event that one or more directors resigns or is incapable of continuing to act as a director, the remaining directors may appoint one or more persons to fill the vacancy or vacancies. However, if at any time the number of directors is reduced to less than two, the remaining director shall call a general meeting of the shareholders for the purpose of filling the vacancies.	Any vacancies on the Board may be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.
<b>Removal of Directors</b>	Directors may be removed or suspended at any time, with or without cause, by a majority of shares present in person or represented by proxy and entitled to vote.	Directors may be removed at any time, with or without cause, by a majority of the shares present in person or represented by proxy and entitled to vote.

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	<b>Curaçao</b>	<b>Delaware</b>
<b>Fiduciary Duties of Directors</b>	Directors are charged with a fiduciary duty of care to protect the interests of the Company and its business. This fiduciary duty is owed to the Company and not to the shareholders. Directors bear responsibility for the general course and affairs of the Company and in addition have an obligation to properly perform the specific duties falling within his or her responsibilities ( <i>werkkring</i> ).	Under Delaware law, the directors are charged with a fiduciary duty of care (to act in an informed and deliberate manner) to protect the interests of the Company and a fiduciary duty of loyalty (in good faith, not out of self-interest) to act in a manner the director reasonably believes to be in the best interests of the company and its shareholders. Such duties are generally owed to the company, but may be owed directly to shareholders in certain circumstances. Shareholders may have standing to pursue direct claims for breach of fiduciary duty in these circumstances.
<b>Limited Liability of Directors</b>	<p>The Existing Articles of Association do not include specific limits on director liability.</p> <p>Under Curaçao law directors can be personally liable (i) for a breach of their fiduciary duty, (ii) based on tort to third parties (external liability) and (iii) towards the bankrupt estate in the event of bankruptcy.</p>	As permitted (but not required) by Delaware law, the Proposed Certificate of Incorporation eliminates the personal liability of directors for monetary damages for a breach of fiduciary duty, except with regard to breaches of duty of loyalty, acts or omissions not in good faith, unlawful repurchases or dividends, or improper personal benefit.
<b>Indemnification of Directors</b>	The Existing Articles of Association impose an obligation for the Company to indemnify directors and pay related expenses under certain circumstances.	The Proposed Bylaws impose an obligation for the Company to indemnify directors and pay related expenses under certain circumstances.
<b>Shareholder Derivative Lawsuits</b>	<p>The Company is also generally permitted to indemnify its directors and officers acting in good faith in any action the person is made a party to by reason of the fact that the person is or was a director or officer of the Company.</p> <p>Shareholders generally do not have the right to bring a derivative suit, including with respect to improper management of the Company.</p>	<p>The Company is also generally permitted to indemnify its directors and officers acting in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Company.</p> <p>A shareholder may bring a derivative suit on behalf of the Company, including with respect to fiduciary duty claims, subject to procedural requirements. Creditors may also have standing to</p>

pursue derivative claims for breach of  
fiduciary duty in certain circumstances.

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	<b>Curaçao</b>	<b>Delaware</b>
<b>Dissolution</b>	Any resolution providing for the dissolution, liquidation or winding up of the Company shall be valid only if duly adopted at a general meeting of shareholders by the holders of at least a majority of the common shares at the time outstanding.	Under Delaware law, a corporation may voluntarily dissolve (i) if a majority of the board of directors adopts a resolution to that effect and the holders of a majority of the outstanding shares entitled to vote thereon vote for such dissolution or (ii) if all stockholders entitled to vote thereon consent in writing to such dissolution.
<b>Inspection of Books and Records</b>	Curaçao law does not grant any specific rights to shareholders pursuant to which they may inspect books and records of the Company.	Under Delaware law, any shareholder may inspect the Company's books and records for a proper purpose during the usual hours for business, subject to compliance with statutory prerequisites.

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**MATERIAL TAX CONSIDERATIONS**

*Material U.S. Federal Income Tax Considerations*

The following is a discussion of material U.S. federal income tax considerations for beneficial owners of Orthofix Curaçao shares relating to the domestication and the ownership and disposition of Orthofix Delaware shares acquired pursuant to the domestication. This discussion applies only to Company shares held as capital assets for U.S. federal income tax purposes, and does not describe all of the U.S. federal income tax consequences that may be relevant to beneficial owners of such shares in light of their particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, or beneficial owners who are subject to special rules, such as:

financial institutions or financial service entities;

governments or agencies or instrumentalities thereof;

insurance companies;

dealers or traders subject to a mark-to-market method of tax accounting with respect to the Orthofix shares;

persons holding the Orthofix shares as part of a straddle, hedge, integrated transaction or similar transaction, or persons deemed to sell the securities under constructive sale provisions of the Internal Revenue Code of 1986, as amended (the Code );

persons who received Orthofix Curaçao shares as compensation for services;

U.S. shareholders (as defined below) whose functional currency is not the U.S. dollar;

partnerships or other pass-through entities for U.S. federal income tax purposes or investors in such entities;

holders who are controlled foreign corporations or passive foreign investment companies;

regulated investment companies;

real estate investment trusts;

U.S. shareholders (as defined below) owning or considered as owning 10% or more of the total combined voting power of all classes of stock entitled to vote of, or 10% or more of the total value of all classes of shares of Orthofix;

U.S. shareholders (as defined below) that hold their Orthofix shares through a non-U.S. broker or other non-U.S. intermediary;

persons who are, or may become, subject to the expatriation provisions of the Code; or

tax-exempt entities.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

This discussion is based on the Code, and administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations all as of the date hereof, changes to any of which subsequent to the date of this prospectus may affect the tax consequences described herein (possibly with retroactive effect). This discussion does not take into account proposed changes in such tax laws and does not address any aspect of state, local or non-U.S. taxation, or any U.S. federal taxes other than income taxes (such as estate or gift tax consequences). Each of the foregoing is subject to change, possibly with retroactive effect.

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**YOU SHOULD CONSULT YOUR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF U.S. FEDERAL TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION.**

***U.S. Shareholders***

This section applies to you if you are a U.S. shareholder. A U.S. shareholder is a beneficial owner of Orthofix shares that is, for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation organized under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

a trust, if (i) a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons (within the meaning of the Code) have the authority to control all substantial decisions of the trust, or (ii) the trust has validly elected to be treated as a United States person for U.S. federal income tax purposes.

**U.S. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. JURISDICTION.**

**Consequences of the Domestication F Reorganization**

The discussion under this heading *Consequences of the Domestication F Reorganization* constitutes the opinion of Hogan Lovells US LLP, counsel to Orthofix (Hogan Lovells), as to the material U.S. federal income tax consequences of the domestication to U.S. shareholders of Orthofix. In the opinion of Hogan Lovells, although no authority directly addressing the tax consequences of the domestication exists, the domestication should qualify as a reorganization within the meaning of section 368(a)(1)(F) of the Code (an F Reorganization). Pursuant to the domestication, Orthofix will change its jurisdiction of organization from Curaçao to Delaware. Except as provided below under the caption headings *Effects of Section 367* and *Passive Foreign Investment Company Considerations*, because the domestication should qualify as an F Reorganization, U.S. shareholders generally should not recognize taxable gain or loss on the domestication for U.S. federal income tax purposes and the domestication should be treated for U.S. federal income tax purposes as if Orthofix Curaçao (i) transferred all of its assets and liabilities to Orthofix Delaware in exchange for all of the outstanding shares of Orthofix Delaware; and (ii) then distributed the common stock of Orthofix Delaware to the shareholders of Orthofix Curaçao in liquidation of Orthofix Curaçao. The taxable year of Orthofix Curaçao will be deemed to end on the date of the domestication. Assuming the domestication qualifies as an F Reorganization: (i) the tax basis of a share of Orthofix Delaware received by a U.S. shareholder in the domestication will equal the U.S. shareholder's adjusted tax basis in the Orthofix Curaçao share surrendered in exchange therefor, increased by any amount included in the income of such U.S. shareholder as a result of Section 367 of the Code (as

discussed below) and (ii) the holding period for a share of Orthofix Delaware received by a U.S. shareholder will include such U.S. shareholder's holding period for the Orthofix Curaçao share surrendered in exchange therefor.

If the domestication fails to qualify as an F Reorganization, a U.S. shareholder generally would recognize gain or loss with respect to their Orthofix Curaçao shares in an amount equal to the difference between the fair market value of Orthofix Delaware shares received in the domestication and the U.S. shareholder's adjusted tax basis in their Orthofix Curaçao shares surrendered in the domestication. In such event, such U.S. shareholder's basis in Orthofix Delaware shares would be equal to their fair market value on the date of the domestication, and such



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U.S. shareholder's holding period for Orthofix Delaware shares would begin on the day following the date of the domestication. U.S. shareholders should consult their tax advisors regarding the potential tax consequences to them if the domestication were to fail to qualify as an F Reorganization.

The opinion described above is based on customary assumptions and representations from Orthofix. If any of the assumptions or representations is incorrect, incomplete or inaccurate, the validity of the opinion described above may be affected and the tax consequences of the domestication could differ from those described above. Further, an opinion of counsel represents counsel's best legal judgment but is not binding on the IRS or any court, so there can be no certainty that the IRS will not challenge the conclusion reflected above or that a court would not sustain such a challenge. Orthofix does not intend to obtain a ruling from the IRS regarding the qualification of the domestication as an F Reorganization.

## **Effects of Section 367**

Section 367 of the Code applies to certain nonrecognition transactions involving foreign corporations, including a domestication of a foreign corporation in an F Reorganization. Section 367 of the Code imposes income tax on certain U.S. persons in connection with transactions that would otherwise be tax-free. Section 367(b) of the Code generally will apply to U.S. shareholders that exchange Orthofix Curaçao shares for Orthofix Delaware shares as part of the domestication.

### ***U.S. Shareholders That Own Less Than 10% Percent of Orthofix Curaçao***

A U.S. shareholder who, at the time of the domestication, beneficially owns (actually or constructively) Orthofix Curaçao shares with a fair market value of \$50,000 or more but less than 10% of the total combined voting power of all classes of Orthofix Curaçao shares entitled to vote and less than 10% of the total value of all classes of Orthofix Curaçao shares must either recognize gain with respect to the domestication or, in the alternative, may elect to recognize the all earnings and profits amount attributable to such holder as described below.

Unless such a U.S. shareholder makes the all earnings and profits election as described below, such holder generally must recognize gain (but not loss) with respect to its Orthofix Curaçao shares exchanged for Orthofix Delaware shares pursuant to the domestication. Any such gain would be equal to the excess of the fair market value of such Orthofix Delaware shares received over the U.S. shareholder's adjusted tax basis in the Orthofix Curaçao shares deemed to be surrendered in exchange therefor. Subject to the PFIC rules discussed below, such gain would be capital gain, and should be long-term capital gain if the U.S. shareholder held the Orthofix Curaçao shares for longer than one year.

In lieu of recognizing any gain as described in the preceding paragraph, a U.S. shareholder may elect to include in income the all earnings and profits amount attributable to their Orthofix Curaçao shares. There are, however, strict conditions for making this election. This election must comply with applicable Treasury regulations and generally must include, among other things:

a statement that the domestication is a Section 367(b) exchange;

a complete description of the domestication;

a description of any stock, securities or other consideration transferred or received in the domestication;

a statement describing the amounts required to be taken into account for U.S. federal income tax purposes as income or as an adjustment to basis, earnings and profits or other tax attributes;

a statement that the U.S. shareholder is making the election that includes (i) a copy of the information that the U.S. shareholder received from Orthofix establishing and substantiating the U.S. shareholder's all earnings and profits amount with respect to the U.S. shareholder's Orthofix Curaçao shares, and (ii) a representation that the U.S. shareholder has notified Orthofix that the U.S. shareholder is making the election; and

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certain other information required to be furnished with the U.S. shareholder's tax return or otherwise furnished pursuant to the Code or the Treasury Regulations.

The election must be attached by the U.S. shareholder to its timely filed U.S. federal income tax return for the year of the domestication, and the U.S. shareholder must send notice of making the election to Orthofix no later than the date such tax return is filed. In connection with this election, Orthofix intends to provide each U.S. shareholder eligible to make such an election with information regarding Orthofix's earnings and profits upon request.

If you intend to make such an election or wish to request additional information, please contact the Company at [redomicile@orthofix.com](mailto:redomicile@orthofix.com).

The all earnings and profits amount attributable to shares held by a U.S. shareholder will generally depend on Orthofix's accumulated earnings and profits from the date that the shares were acquired through the effective date of the domestication. While Orthofix will not be able to determine the amount of any earnings and profits for the period January 1, 2018 through the effective date of the domestication until after completion of the domestication, Orthofix management currently anticipates that it is likely that Orthofix will accumulate positive earnings and profits in 2018, while earnings and profits for 2017 will be de minimis. Taking this into account, management expects that a positive accumulated all earnings and profits amount will be attributable to shares with a holding period beginning on or after approximately January 1, 2017.

Orthofix management believes that Orthofix had negative earnings and profits during several of its recent fiscal years prior to 2017. Accordingly, Orthofix management believes that, subject to the calculation of Orthofix's earnings and profits for fiscal year 2018 through the date of the domestication, Orthofix likely will have negative accumulated earnings and profits at the time of effectiveness of the domestication for all holding periods that began between January 1, 2008 and December 31, 2015. On that basis, Orthofix management believes it likely that such U.S. shareholders would not be required to include in income any all earnings and profits amount with respect to such shares as a result of the domestication.

Because Orthofix management believes that Orthofix had negative earnings and profits during 2016 but is expected to have positive earnings and profits in 2018, the determination of whether a shareholder who acquired shares during the course of 2016 will have a positive all earnings and profits amount with respect to such shares will depend on the specific date during 2016 when the shareholder acquired the shares, and the resulting pro rata amount of 2016 negative earnings and profits attributable to such shares in relation to the amount of positive earnings and profits attributable to such shares for the period from January 1, 2018 through the date of the domestication.

Orthofix management believes that Orthofix had significant earnings and profits in years preceding 2011. Taking into account the positive earnings and profits in those years and the negative earnings and profits in several years since then, management expects that, on balance, a positive accumulated all earnings and profits amount will be attributable to shares with a holding period beginning before January 1, 2008.

No assurance can be given that the IRS will agree with the Company's calculations of its earnings and profits (or deficits thereof). If the IRS were to make an upward adjustment in Orthofix's earnings and profits, a U.S. shareholder could have a positive or more positive all earnings and profits amount in respect of the shareholder's shares and thereby may recognize greater taxable income. Subject to the discussion below regarding U.S. shareholders whose Orthofix shares have an aggregate fair market value of less than \$50,000, any U.S. shareholder that has a positive all earnings and profits amount attributable to their shares may be subject to U.S. federal taxes with respect to such shares as a result of the domestication.



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### **U.S. SHAREHOLDERS THAT OWN ORTHOFIX CURAÇAO SHARES WITH A FAIR MARKET VALUE OF \$50,000 OR MORE ARE STRONGLY URGED TO CONSULT A TAX ADVISOR REGARDING THE CONSEQUENCES OF MAKING AN ALL EARNINGS AND PROFITS ELECTION AND THE APPROPRIATE FILING REQUIREMENTS WITH RESPECT TO SUCH AN ELECTION.**

#### ***U.S. Shareholders That Own Orthofix Curaçao Shares with a Fair Market Value of Less Than \$50,000***

A U.S. shareholder who, at the time of the domestication, owns (or is considered to own) Orthofix Curaçao shares with a fair market value of less than \$50,000 should not be required to recognize any gain or loss under Section 367(b) of the Code in connection with the domestication, and generally should not be required to include any part of the all earnings and profits amount in income.

#### **Passive Foreign Investment Company Considerations**

Even if the domestication qualifies as a reorganization under Section 368(a), the domestication may be a taxable event to a U.S. shareholder of Orthofix shares under the passive foreign investment company, or PFIC, provisions of the Code to the extent Section 1291(f) of the Code is currently effective.

Generally, a foreign corporation is a PFIC if 75% or more of its gross income for a taxable year is passive income or if 50% or more of the assets (by value) held by the corporation during a taxable year produce or are held to produce passive income. Passive income generally includes dividends, interest, rents and royalties. If a foreign corporation is classified as a PFIC for any taxable year during which a U.S. shareholder owns stock in the foreign corporation, the foreign corporation generally remains thereafter classified as a PFIC with respect to that shareholder.

Section 1291(f) of the Code generally requires that, to the extent provided in Treasury Regulations, a United States person who disposes of stock of a PFIC recognize gain notwithstanding any other provision of the Code. No final Treasury Regulations have been promulgated under this statute. Proposed Treasury Regulations were promulgated in 1992 with a retroactive effective date. If finalized in their current form, these Treasury Regulations would generally require gain recognition by a United States person exchanging Orthofix Curaçao shares for Orthofix Delaware shares if Orthofix Curaçao was classified as a PFIC at any time during such United States person's holding period in such Orthofix Curaçao shares and such person had not made a qualified electing fund election under Code Section 1295 for the first taxable year in which such United States person owned Orthofix Curaçao shares or in which Orthofix Curaçao was a PFIC, whichever is later. The tax on any such gain so recognized would be imposed at the rate applicable to ordinary income and an interest charge would apply based on a complex set of computational rules designed to offset the tax deferral to such shareholder on Orthofix Curaçao's undistributed earnings. However, we are unable to predict at this time whether, in what form, and with what effective date, final Treasury Regulations under Code Section 1291(f) will be adopted or whether the IRS might take the position that gain is required to be recognized under current law notwithstanding the absence of final Treasury Regulations.

Orthofix Curaçao believes that it is not and has never been a PFIC. If so, the PFIC rules just described should not apply to the domestication. However, the determination of whether a foreign corporation is a PFIC is primarily factual, and there is little administrative or judicial authority on which to rely to make a determination. Hence, the IRS might not agree that Orthofix Curaçao is not and has never been a PFIC.

#### **Taxation of Distributions on Orthofix Delaware Shares**

A U.S. shareholder generally will be required to include in gross income the amount of any cash dividend paid on Orthofix Delaware shares. A cash distribution (or a constructive distribution) on such stock generally will be treated

as a dividend for U.S. federal income tax purposes to the extent the distribution is paid out of Orthofix Delaware's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Such dividends paid by Orthofix Delaware may be taxable to a corporate U.S. shareholder at regular rates but will be eligible (subject to applicable requirements and limitations) for the dividends-received deduction.

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Distributions in excess of such earnings and profits generally will be applied against and reduce the U.S. shareholder's basis in its stock (but not below zero), determined separately for each share, and any excess will be treated as gain from the sale or exchange of such stock as described below under *Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Orthofix Delaware Shares*.

With respect to non-corporate U.S. shareholders, dividends generally will be taxed at the applicable long-term capital gains rate (see *Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Orthofix Delaware Shares* below), subject to applicable requirements and limitations.

### **Gain or Loss on Sale, Taxable Exchange or Other Taxable Disposition of Orthofix Delaware Shares**

Upon a sale or other taxable disposition of Orthofix Delaware shares, a U.S. shareholder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. shareholder's adjusted tax basis in the Orthofix Delaware shares.

Any such capital gain or loss generally will be long-term capital gain or loss if the U.S. shareholder's holding period for the Orthofix Delaware shares so disposed of exceeds one year. Long-term capital gains recognized by non-corporate U.S. shareholders may be eligible to be taxed at reduced rates. The deductibility of capital losses is generally subject to limitations.

Generally, the amount of gain or loss recognized by a U.S. shareholder is an amount equal to the difference between (i) the sum of the amount of cash and the fair market value of any property received in such disposition and (ii) the U.S. shareholder's adjusted tax basis in its shares so disposed of.

### ***Non-U.S. Shareholders***

This section applies to you if you are a Non-U.S. shareholder. A Non-U.S. shareholder is a beneficial owner of Orthofix shares that is not a U.S. shareholder.

**NON-U.S. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF U.S. FEDERAL TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION.**

### **Dividends**

Any cash distribution (or a constructive distribution) Orthofix Delaware makes to a Non-U.S. shareholder of Orthofix Delaware shares, to the extent paid out of Orthofix Delaware's current or accumulated earnings and profits (as determined under U.S. federal income tax principles), generally will constitute a dividend for U.S. federal income tax purposes. Any such dividends paid or deemed paid to a Non-U.S. shareholder in respect of Orthofix Delaware shares that is not effectively connected with the Non-U.S. shareholder's conduct of a trade or business within the United States, as described below, generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividend, unless such Non-U.S. shareholder is eligible for a reduced rate of withholding tax under an applicable income tax treaty and provides proper certification of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E, as applicable). In satisfying the foregoing withholding obligation with respect to a distribution, the applicable withholding agent may withhold up to 30% of either (i) the gross amount of the entire distribution, even if the amount of the distribution is greater than the amount constituting a dividend, as described above, or (ii) the amount of the distribution Orthofix Delaware projects will be a dividend, based upon a reasonable

estimate of both its current and accumulated earnings and profits for the taxable year in which the distribution is made. If U.S. federal income tax is withheld on the amount of a distribution in excess of the amount constituting a dividend, the Non-U.S. shareholder may obtain a refund of all or a portion of the excess amount withheld by timely filing a claim for refund with the IRS. Any



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such distribution not constituting a dividend generally will be treated, for U.S. federal income tax purposes, first as reducing the Non-U.S. shareholder's adjusted tax basis in such securities (but not below zero), determined separately for each share, and, to the extent such distribution exceeds the Non-U.S. shareholder's adjusted tax basis, as gain from the sale or other taxable disposition of such securities, which will be treated as described under *Gain on Sale, Taxable Exchange or Other Taxable Disposition of Orthofix Delaware Shares* below.

Dividends (including constructive dividends) Orthofix Delaware pays to a Non-U.S. shareholder that are effectively connected with such Non-U.S. shareholder's conduct of a trade or business within the United States generally will not be subject to the foregoing U.S. federal withholding tax, provided such Non-U.S. shareholder complies with certain certification and disclosure requirements (usually by providing an IRS Form W-8ECI). Instead, unless an applicable income tax treaty provides otherwise, such dividends generally will be subject to U.S. federal income tax, net of certain deductions, at the same regular U.S. federal income tax rates applicable to a comparable U.S. shareholder. In addition, if the Non-U.S. shareholder is a corporation, such holder's effectively connected earnings and profits (subject to adjustments) may be subject to a U.S. federal branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty).

**Gain on Sale, Taxable Exchange or Other Taxable Disposition of Orthofix Delaware Shares**

A Non-U.S. shareholder generally will not be subject to U.S. federal income tax in respect of gain recognized on a sale, exchange or other disposition of Orthofix Delaware shares unless:

the gain is effectively connected with the conduct of a trade or business by the Non-U.S. shareholder within the United States;

the Non-U.S. shareholder is an individual who is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; or

Orthofix Delaware is or has been a United States real property holding corporation (USRPHC) for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the Non-U.S. shareholder's holding period for such securities disposed of, and, generally, in the case where Orthofix Delaware shares are regularly traded on an established securities market, the Non-U.S. shareholder has owned, actually or constructively, more than 5% of such shares, as applicable, at any time during the shorter of the five-year period ending on the date of disposition or the Non-U.S. shareholder's holding period for the security disposed of. It is not anticipated that Orthofix Delaware will be a USRPHC, although no assurances can be given in this regard. There can be no assurance that Orthofix Delaware shares will be treated as regularly traded on an established securities market for this purpose.

Unless an applicable tax treaty provides otherwise, any gain described in the first or third bullet points above generally will be subject to U.S. federal income tax, net of certain deductions, at the same regular U.S. federal income tax rates applicable to a comparable U.S. shareholder and, in addition, a Non-U.S. shareholder described in the first bullet point that is a foreign corporation will be subject to U.S. federal branch profits tax at a 30% rate (or a lower applicable tax treaty rate) on such Non-U.S. shareholder's effectively connected earnings and profits (subject to adjustments). Any gain of a Non-U.S. shareholder described in the second bullet point above (which may be offset by U.S. source capital losses during the taxable year of the disposition) generally will be subject to a flat 30% U.S. federal income tax rate (or a lower applicable tax treaty rate).

*Information Reporting and Backup Withholding*

Dividend payments with respect to and proceeds from the sale, exchange or redemption of Orthofix Delaware shares may be subject to information reporting to the IRS and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. shareholder who furnishes a correct taxpayer identification number and makes other required certifications, or who is otherwise exempt from backup withholding and establishes such exempt status.

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A Non-U.S. shareholder generally will eliminate the requirement for information reporting (other than with respect to dividends) and backup withholding by providing certification of its non-U.S. status on a duly-executed applicable IRS Form W-8 or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a shareholder's U.S. federal income tax liability, and a shareholder generally may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

## ***Foreign Account Tax Compliance Act***

Sections 1471 through 1474 of the Code and the Treasury Regulations and administrative guidance promulgated thereunder (commonly referred as the *Foreign Account Tax Compliance Act* or *FATCA*) generally impose withholding at a rate of 30% in certain circumstances on dividends in respect of, and, after December 31, 2018, gross proceeds from the sale or other disposition of, securities (including Orthofix shares) which are held by or through certain foreign financial institutions (including investment funds), as a beneficial owner or as an intermediary, unless any such institution (i) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (ii) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Accordingly, the entity through which Orthofix shares are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of, and, after December 31, 2018, gross proceeds from the sale or other disposition of, Orthofix shares held by an investor that is a non-financial non-U.S. entity (as a beneficial owner or as an intermediary) that does not qualify under certain exceptions will generally be subject to withholding at a rate of 30%, unless such entity either (i) certifies to the applicable withholding agent that such entity does not have any *substantial United States owners* or (ii) provides certain information regarding the entity's *substantial United States owners*, which will in turn be provided to the U.S. Department of Treasury. All shareholders should consult their tax advisors regarding the possible implications of FATCA on their investment in Orthofix shares.

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**MANAGEMENT**

*Corporate Governance Highlights*

We are committed to effective corporate governance and the regular review of our corporate governance practices to continue building on our success and long-term shareholder value.

**Director Election**

Annual elections for all directors

**Board Independence**

Eight of our nine director nominees are fully independent under Nasdaq standards

All four Board committees consist solely of independent directors

**Standing Board Committees**

Audit and Finance Committee (met ten times in 2017)

Compensation Committee (met nine times in 2017)

Compliance and Ethics Committee (met five times in 2017)

Nominating and Governance Committee (met six times in 2017)

**Practices and Policies**

Experienced, diverse Board membership with extensive business expertise in life sciences, finance, international planning and operational matters

Commitment to Board refreshment, with an average tenure of 3.2 years for the nine directors that are nominated to continue serving after the Annual General Meeting

Independent directors met in executive session at every regular 2017 Board meeting

Approximately 95% average attendance by directors at Board and committee meetings in 2017

Strong Board leadership in the oversight of enterprise risk (including recently initiated enterprise risk management program)

Compliance and Ethics Committee of the Board formed in 2013 to oversee and monitor a comprehensive, Company-wide ethics and compliance program that is led by our Chief Ethics and Compliance Officer

Annual Board and committee self-assessments and, beginning in 2016, individual board member performance reviews

Structured director education and onboarding program

Shareholders representing at least 10% of the outstanding common shares may call a special meeting

No shareholder rights plan (i.e., no poison pill ) or blank check preferred stock

No supermajority voting requirements to approve mergers or other business combination transactions

No related party transactions with any directors or named executive officers

No political or PAC contributions by Company

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Our current executive officers are listed and described below. Messrs. Mason, Rice, Bianchi and Finegan and Ms. Elting are referred to collectively throughout this proxy statement/prospectus as our named executive officers.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Bradley R. Mason	64	President and Chief Executive Officer and Director
Douglas C. Rice	52	Chief Financial Officer
Davide Bianchi	53	President, Global Extremity Fixation
Kimberley A. Elting	53	Chief Legal and Administrative Officer
Michael M. Finegan	54	Chief Strategy Officer
Raymond S. Fujikawa	61	President, Spine Fixation
Robert A. Goodwin II	47	President, Biologics
Bradley V. Niemann	48	President, BioStim

**Bradley R. Mason.** Mr. Mason has served as a director since the Company's 2013 annual general meeting of shareholders. Mr. Mason rejoined Orthofix in March 2013 as our President and Chief Executive Officer after previously serving as Group President, North America from June 2008 through October 2009, and as a Strategic Advisor from November 2009 through October 2010. Prior to being appointed as Group President, North America, he had served as a Vice President of the Company since December 2003, when the Company acquired Breg, Inc. Prior to its acquisition by Orthofix, Mr. Mason had served as President and Chairman of Breg, a company he principally founded in 1989 with five other shareholders. Mr. Mason has over 30 years of experience in the medical device industry, some of which were spent with dj Orthopedics (formally DonJoy) where he became an owner and executive in its early development stage and held the position of Executive Vice President. Following his retirement from Orthofix in 2010, he served in a variety of part-time consulting and advisory roles, including as a consultant to Orthofix since October 2012, which consulting relationship terminated as of March 13, 2013 when he rejoined Orthofix. Mr. Mason is the named inventor on 38 issued patents in the orthopedic product arena. He graduated Summa Cum Laude with an Associate of Arts and Associate of Science degree from MiraCosta College.

**Douglas C. Rice.** Mr. Rice became the Company's Chief Financial Officer in April 2015. He joined Orthofix as Chief Accounting Officer in September 2014 and was appointed to the position of Interim Chief Financial Officer later that month. Mr. Rice joined the Company from Vision Source, an international optometric network provider, where he had served since 2012 as Chief Financial Officer. Mr. Rice served as the Vice President Finance, Treasurer of McAfee, a security technology company, from 2007 to 2012, when it was acquired by Intel. From 2000 to 2007, he served as the Senior Vice President, Corporate Controller of Concentra, Inc., a national healthcare service provider. Mr. Rice's over 25 years of finance experience also included finance leadership positions with la Madeleine, Allied Marketing Group as well as PricewaterhouseCoopers (formerly Coopers & Lybrand). He is a certified public accountant, and holds an MBA and BBA, with honors, from Southern Methodist University.

**Davide Bianchi.** Mr. Bianchi joined Orthofix as President, International Extremity Fixation in July 2013 and was named as the Company's President, Global Extremity Fixation in December 2013. From February 2009 through June 2013, Mr. Bianchi served as President of the Heart Valve Global Business Unit at Sorin Group. Earlier in his career, he spent 10 years with Edwards Lifesciences, where he served as the European Marketing Manager; the Business Director, Emerging Markets; the Managing Director, Germany; the Vice President, Sales; and, most recently, the Vice President, Marketing, EMEA. Mr. Bianchi received his Master in Business Management from ISTUD Milano.

**Kimberley A. Elting.** Ms. Elting joined Orthofix as Chief Legal Officer in September 2016 and was named Chief Legal and Administrative Officer in 2017. Before joining the Company, she had served since 2013 as

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General Counsel and Vice President Corporate Affairs at TriVascular Technologies, Inc. In this role, she led the legal, compliance, human resources (HR) and government affairs functions. Between 2007 and 2012, she served in various roles of increasing responsibility with St. Jude Medical, including General Counsel and Vice President of HR and Health Policy for the Neuromodulation Division. She also previously was a partner at the Jones Day law firm where she counseled clients in the health care sector on mergers and acquisitions and regulatory matters. A graduate of Ithaca College, Ms. Elting earned her Law Degree from the University of Denver and an LL.M. in Health Law from Loyola University Chicago.

**Michael M. Finegan.** Mr. Finegan joined Orthofix in June 2006 as Vice President of Corporate Development, and became the President, Biologics in March 2009. In October 2011, he was promoted to Senior Vice President, Business Development, and President, Biologics, and in June 2013, to his current position as Chief Strategy Officer. Prior to joining Orthofix, Mr. Finegan spent 16 years as an executive with Boston Scientific in a number of different operating and strategic roles, most recently as Vice President of Corporate Sales. Earlier in his career, Mr. Finegan held sales and marketing roles with Marion Laboratories and spent three years in banking with First Union Corporation (Wachovia). Mr. Finegan earned a Bachelor of Arts in Economics from Wake Forest University.

**Raymond S. Fujikawa.** Mr. Fujikawa joined the Orthofix team in August 2013 as Senior Vice President of Commercial Strategy. With more than 33 years of experience in medical device sales, Mr. Fujikawa was directly responsible for establishing sales forces at Mitek, Surgiquip and Li Medical Technologies while serving as their Vice President of Sales. Additionally, he was Vice President of Sales at Breg, Inc. where he was one of the creators of their business solution program. Mr. Fujikawa is the author of the sales training program *Student of the Game* which is used by companies to enhance their sales results. He frequently lectures on this program at major university business schools. Mr. Fujikawa began his career as a medical device salesman, which led him to increasing responsibilities in successive management roles.

**Robert A. Goodwin II.** Mr. Goodwin was appointed President of the Biologics strategic business unit in July 2013. Mr. Goodwin joined Orthofix in 2006 as Director of Business Development before being promoted to Vice President of Finance in 2008, Vice President of Business Development in 2009 and the role of Vice President of Marketing for Biologics in 2012. He has more than 23 years of medical device experience, including escalating levels of responsibility in functional areas of finance, sales, new product development, I/T, business development and marketing. Prior to joining Orthofix, Mr. Goodwin was with U.S. Endoscopy, Aspect Medical Systems, and CR Bard. Mr. Goodwin holds a Bachelor's Degree in Accounting and Finance from the University of Maine.

**Bradley V. Niemann.** Mr. Niemann was appointed President of the BioStim strategic business unit in June 2013. He joined Orthofix in March 2012 as Senior Vice President of Commercial Operations for Orthofix's Global Spine Business. Mr. Niemann has more than 15 years of experience in the medical devices industry, with a particularly strong track record in expanding the utilization of bone growth stimulation technology. From 2004-2012, Mr. Niemann worked in a variety of management roles at DJO Global, Inc. before joining Orthofix. Mr. Niemann holds a Bachelor of Science in Management from DePaul University.

## ***The Board and Committees of the Board***

### **Our Board**

Our Existing Articles of Association provides that the Board shall consist of not less than six and no more than fifteen directors, the exact number to be determined from time-to-time by resolution of the Board. The Board is currently comprised of nine seats. Directors are elected at each annual general meeting of shareholders by a plurality of the votes cast, in person or by proxy by the shareholders. Directors are elected to serve until the following year's annual



general meeting of shareholders or until a successor is elected and qualified. Because we are required by Curaçao law to hold the annual general meeting of shareholders in Curaçao, we do not have a policy regarding director attendance at such annual meetings, and no directors were present at our 2017 annual general meeting of shareholders. However, in the event that the domestication to Delaware is consummated, such that future annual meetings of shareholders may be held in the U.S., we expect that some or all directors will attend such annual meetings in the future.

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The Board meets at least four times per year in person at regularly scheduled meetings, but will meet more often in person if necessary. In addition, the Board typically holds several additional meetings each year by telephone conference as events require. The Board met six times during 2017, four of which were in-person meetings. The Board has four standing committees: the Audit and Finance Committee, the Compensation Committee, the Compliance and Ethics Committee and the Nominating and Governance Committee. During 2017 every director attended more than 75% of the aggregate of all meetings of the Board and the Committees on which he or she served held during the period for which he or she was a director or Committee member, as applicable.

Of our nine current directors, the Board has determined that each of Mr. Faulstick, Mr. Hinrichs, Mr. Lukianov, Ms. Marks, Mr. Matricaria, Mr. Paolucci, Ms. Sainz and Mr. Sicard are independent under the current Nasdaq listing standards. Mr. Mason is not considered independent, as he also serves as the Company's President and Chief Executive Officer. A list of our director nominees and background information for each of them is presented in the section *Proposal 2: Election of Directors*, beginning on page 81.

## **Board Leadership Structure**

Mr. Matricaria, who is an independent director, serves as the Chairman of the Board. Mr. Mason, who is also a director, serves as the Company's President and Chief Executive Officer. The Board believes that the separation of these two critical roles best serves the Company's shareholders at this time because it allows our President and Chief Executive Officer to focus on providing leadership over our day-to-day operations while our independent Chairman focuses on leadership of the Board.

## **The Audit and Finance Committee**

Our Audit and Finance Committee is a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The committee oversees the Company's financial reporting process on behalf of the Board. The committee is responsible for the selection, compensation, and oversight of the Company's independent registered public accounting firm. The committee reviews matters relating to the Company's internal controls, as well as other matters warranting committee attention. The committee also meets privately, outside the presence of Orthofix management, with our independent registered public accounting firm. The Audit and Finance Committee's report for 2017 is printed below at page 102.

The Board has adopted a written charter for the Audit and Finance Committee, a copy of which is available for review on our website at [www.orthofix.com](http://www.orthofix.com).

The Audit and Finance Committee met ten times during 2017 (four of which were in-person meetings).

Mr. Faulstick, Mr. Hinrichs and Mr. Matricaria currently serve as members of the Audit and Finance Committee, with Mr. Hinrichs serving as Chair. Under the current rules of Nasdaq and pursuant to Rule 10A-3 of Schedule 14A under the Exchange Act, all of the committee members are independent. The Board has determined that Mr. Hinrichs is an audit committee financial expert as that term is defined in Item 407(d) of Regulation S-K.

## **The Compensation Committee**

The Compensation Committee is responsible for establishing compensation policies and determining, approving and overseeing the total compensation packages for our executive officers, including all elements of compensation. The committee administers our 2012 Long-Term Incentive Plan (the 2012 LTIP), the primary equity incentive plan under which we make equity-related awards, together with its predecessor, the 2004 Long-Term Incentive Plan (under which

some grants made prior to 2013 remain outstanding) (the 2004 LTIP ). In addition, the committee administers our Amended and Restated Stock Purchase Plan (the SPP ), an equity plan under which most of our employees and directors are eligible to purchase common shares of the Company.

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The Compensation Committee met nine times during 2017 (four of which were in-person meetings).

The Board has adopted a written charter for the Compensation Committee, a copy of which is available for review on our website at [www.orthofix.com](http://www.orthofix.com).

As of the beginning of 2017, Mr. Paolucci, together with Drs. Guy Jordan and Anthony Martin, served as the members of the Compensation Committee, with Dr. Jordan serving as Chair. Drs. Jordan and Martin each retired from the Board as of last year's annual meeting. To fill the committee seats vacated by Drs. Jordan and Martin, and as part of the Board's normal committee rotation process, Ms. Sainz and Mr. Lukianov replaced Drs. Jordan and Martin on the committee as of the date of last year's annual meeting (at which time Mr. Paolucci became Chair). All of these members (i) are non-employee, non-affiliated, outside directors who have been determined by the Board to be independent under the current rules of Nasdaq and (ii) satisfy the qualification standards of Section 162(m) of the Code, and Section 16 of the Exchange Act.

No interlocking relationship, as defined in the Exchange Act, currently exists, nor existed during 2017, between the Board or Compensation Committee and the board of directors or compensation committee of any other entity.

## **The Compliance and Ethics Committee**

The Compliance and Ethics Committee assists the Board in overseeing the Company's Corporate Compliance and Ethics Program and the Company's global compliance with various international and domestic laws and regulations, including those related to the U.S. Food and Drug Administration and requirements of the U.S. Foreign Corrupt Practices Act and other applicable global anti-corruption laws. The committee also assists the Board in overseeing the Company's compliance with the Company's own Corporate Code of Conduct, policies and procedures.

The Compliance and Ethics Committee met five times in 2017 (four of which were in-person meetings).

The Board has adopted a written charter for the Compliance and Ethics Committee, a copy of which is available for review on our website at [www.orthofix.com](http://www.orthofix.com).

As of the beginning of 2017, Ms. Sainz, Ms. Marks and Dr. Jordan served as members of the Compliance and Ethics Committee, with Ms. Sainz serving as Chair. To fill the committee seat vacated by Dr. Jordan, in connection with his retirement from the Board and as part of the Board's normal committee rotation process, Mr. Paolucci replaced Dr. Jordan on the committee as of the date of last year's annual meeting. All of these members have been determined by the Board to be independent under the current rules of the Nasdaq Global Select Market and the SEC.

## **The Nominating and Governance Committee**

The Nominating and Governance Committee assists the Board in identifying qualified individuals to become Board members, recommends to the Board nominees for election at each annual general meeting of shareholders, develops and recommends to the Board the Company's corporate governance principles and guidelines, and evaluates potential candidates for executive positions as appropriate. In connection with this role, the committee periodically reviews the composition of the Board in light of the characteristics of independence, skills, experience and availability of service, with an emphasis on the particular areas of skill and experience needed by the Board at any given time. The committee periodically reviews with the Chairman of the Board and the President and Chief Executive Officer succession planning, and makes recommendations to the Board in connection with succession planning. The committee also oversees the Board's annual evaluation process, which includes the completion of questionnaires covering the Board, each committee and individual director performance.

The Nominating and Governance Committee met six times in 2017 (five of which were in-person meetings).

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The Board has adopted a written charter for the Nominating and Governance Committee, a copy of which is available for review on our website at [www.orthofix.com](http://www.orthofix.com).

As of the beginning of 2017, Mr. Faulstick, Mr. Hinrichs and Dr. Martin served as members of the Nominating and Governance Committee, with Mr. Faulstick serving as Chair. To fill the seat vacated by Dr. Martin, in connection with his retirement from the Board and as part of the Board's normal committee rotation process, Mr. Lukianov replaced Dr. Martin on the committee as of the date of last year's annual meeting. All of these members have been determined by the Board to be independent under the current rules of Nasdaq and the SEC.

## **Corporate Code of Conduct**

Our Corporate Code of Conduct is the Company's code of ethics applicable to all directors, officers and employees worldwide. The goals of our Corporate Code of Conduct, as well as our general corporate compliance and ethics program (which we have branded the *Integrity Advantage* Program), are to deter wrongdoing and to promote (i) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, (ii) the full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in other public communications made by us, (iii) compliance with applicable governmental laws, rules and regulations, (iv) the prompt internal reporting of violations of the Corporate Code of Conduct, and (v) accountability for adherence to the Corporate Code of Conduct. Our Corporate Code of Conduct applies to all areas of professional conduct, including customer relationships, conflicts of interest, financial reporting, use of company assets, insider trading, intellectual property, confidential information and workplace conduct. Under the Corporate Code of Conduct, employees, directors and executive officers are responsible for promptly reporting potential violations of any law, regulation or the Corporate Code of Conduct to appropriate personnel or a hotline we have established.

Our Corporate Code of Conduct is available for review on our website at [www.orthofix.com](http://www.orthofix.com) under the Corporate Governance caption in the Investors section.

## **Board's Role in Risk Oversight**

The Board plays an important role in overseeing various risks that we may face from time to time. While the full Board has primary responsibility for risk oversight, it utilizes its committees, as appropriate, to monitor and address the risks that may be within the scope of a particular committee's expertise or charter. For example, the Audit and Finance Committee oversees our financial statements and the Compliance and Ethics Committee assists in the Board's oversight of compliance with certain legal and regulatory requirements. The Board believes the composition of its committees, and the distribution of the particular expertise of each committee's members, makes this an appropriate structure to more effectively monitor these risks.

An important feature of the Board's risk oversight function is to receive updates from its committees and management, as appropriate. In that regard, the Board regularly receives updates from the President and Chief Executive Officer, Chief Financial Officer, Chief Legal and Administrative Officer, and Chief Ethics and Compliance Officer, including in connection with material litigation and legal compliance matters. The Board also receives updates at quarterly in-person Board meetings on committee activities from each committee Chair. In addition, the president or other senior executive of each Company division or business unit periodically reviews and assesses the most significant risks associated with his or her division or unit. These assessments are then aggregated by our management team and presented to the Board. The Board regularly discusses with management these risk assessments and includes risk management and risk mitigation as part of its oversight of the enterprise risk management program and its ongoing strategic planning process.

**Shareholder Communication with the Board**

To facilitate the ability of shareholders to communicate with the Board, we have established an electronic mailing address and a physical mailing address to which communications may be sent: [boardofdirectors@orthofix.com](mailto:boardofdirectors@orthofix.com), or

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c/o Orthofix Holdings Inc., Mr. Ronald A. Matricaria, Chairman of the Board of Directors of Orthofix International N.V., 3451 Plano Parkway, Lewisville, TX 75056.

Mr. Matricaria reviews all correspondence addressed to the Board and presents to the Board a summary of all such correspondence and forwards to the Board or individual directors, as the case may be, copies of all correspondence that, in the opinion of Mr. Matricaria, deals with the functions of the Board or committees thereof or that he otherwise determines requires their attention. Examples of communications that would be logged, but not automatically forwarded, include solicitations for products and services or items of a personal nature not relevant to us or our shareholders. Directors may at any time review the log of all correspondence received by Orthofix that is addressed to members of the Board and request copies of any such correspondence.

## **Nomination of Directors**

As provided in its charter, the Nominating and Governance Committee identifies and recommends to the Board nominees for election or re-election to the Board and will consider nominations submitted by shareholders. The Nominating and Governance Committee Charter is available for review on our website at [www.orthofix.com](http://www.orthofix.com).

The Nominating and Governance Committee seeks to create a Board that is strong in its collective diversity of skills and experience with respect to finance, research and development, commercialization, sales, distribution, leadership, technologies and industry knowledge. The Nominating and Governance Committee reviews with the Board, on an annual basis, the current composition of the Board in light of the characteristics of independence, skills, experience and availability of service to Orthofix of its members and of anticipated needs. If necessary, we will retain a third party to assist us in identifying or evaluating any potential nominees for director. When the Nominating and Governance Committee reviews a potential new candidate, it looks specifically at the candidate's qualifications in light of the needs of the Board at that time given the then current mix of director attributes.

As provided for in our Corporate Governance Guidelines, in nominating director candidates, the Nominating and Governance Committee strives to nominate directors that exhibit high standards of ethics, integrity, commitment and accountability. In addition, our Corporate Governance Guidelines state that all nominations should attempt to ensure that the Board shall encompass a range of talent, skills and expertise sufficient to provide sound guidance with respect to our operations and activities. Other than as set forth in the Corporate Governance Guidelines with respect to the Board's objective in seeking directors with a range of talent, skills and expertise, the Board and the Nominating and Governance Committee do not have a formal policy with respect to the diversity of directors.

Under our Corporate Governance Guidelines, directors must inform the Chairman of the Board and the Chair of the Nominating and Governance Committee in advance of accepting an invitation to serve on another company's board of directors. In addition, no director may sit on the board of directors of, or beneficially own a significant financial interest in, any business that is a material competitor of Orthofix. The Nominating and Governance Committee reviews any applicable facts and circumstances relating to any such potential conflict of interest and determines in its reasonable discretion whether a conflict exists.

To recommend a nominee, a shareholder shall send notice to the Board c/o Orthofix Holdings Inc., Mr. Luke Faulstick, Chair of the Nominating and Governance Committee of Orthofix International N.V., 3451 Plano Parkway, Lewisville, TX 75056. This notice should include the candidate's brief biographical description, a statement of the qualifications of the candidate, taking into account the qualification requirements set forth above and the candidate's signed consent to be named in the proxy statement and to serve as a director if elected. The notice must be given not later than 180 days before the first anniversary of the last annual general meeting of shareholders. Once we receive the recommendation, the Nominating and Governance Committee will determine whether to contact the candidate to



request that he or she provide us with additional information about the candidate's independence, qualifications and other information that would assist the Nominating and Governance Committee in evaluating the candidate, as well as certain information that must be disclosed about the candidate

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in our proxy statement, if nominated. Candidates must respond to our inquiries within the time frame provided in order to be considered for nomination by the Nominating and Governance Committee.

The Nominating and Governance Committee has not received any nominations for director from shareholders for the Annual General Meeting.

### ***Section 16(a) Beneficial Ownership Reporting Compliance***

Section 16(a) of the Exchange Act requires our officers and directors, and holders of more than 10% of our common shares (collectively, the Reporting Persons ) to file with the SEC initial reports of ownership and reports of changes in ownership of our common shares. Such persons are required by regulations of the SEC to furnish us with copies of all such filings. Based on our review of these reports and related representations by the Reporting Persons, we believe that all Section 16(a) reports were filed timely in 2017, except that due to an internal administrative error at the Company, the Form 4 relating to the Company's annual equity grant to directors and executive officers on July 3, 2017 was filed two business days late for each of the directors and executive officers serving at such time.

### ***Compensation Discussion and Analysis***

#### **Executive Overview**

We focus our compensation program for our named executive officers and other executives on financial, strategic and operational goals established by the Board of Directors to create value for our shareholders. Our guiding compensation principle is to pay for performance. Our compensation program is designed to motivate, measure and reward the successful achievement of our strategic and operating goals without promoting excessive or unnecessary risk taking.

In 2017, our primary business strategy was to accelerate our organic topline growth rate while maintaining Adjusted EBITDA margins. We believe that this strategy proved effective and resulted in us exceeding our growth expectations for the year. We are currently focused on continuing our organic growth momentum, expanding margins and actively pursuing value-accretive inorganic opportunities to further accelerate growth. We believe that we remain well-positioned to execute on both organic and inorganic strategic opportunities focused on accelerating shareholder value creation. Notable highlights and accomplishments in 2017 include the following:

Net sales were \$433.8 million, an increase of 5.9% on a reported basis and 5.5% on a constant currency basis; as net sales increased for each of our SBUs.

Net income from continuing operations was \$7.3 million, an increase of 108.5% from the prior year.

Non-GAAP Net margin, an internal metric that we define as gross profit less sales and marketing expense, was \$142.4 million, an increase of 1.3% from the prior year.

We manage our business by our four SBUs: BioStim, Extremity Fixation, Spine Fixation and Biologics, which accounted for 43%, 24%, 19%, and 14%, respectively, of our total net sales in 2017. The chart below presents net sales, which includes product sales and marketing service fees, by SBU for each of the years ended December 31, 2017, 2016, and 2015.



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Over the three-year period ending December 31, 2017, Orthofix has delivered total shareholder return of 82%, with an annual compound shareholder return of 22% during that same period. A \$100 investment in Orthofix's common stock at the beginning of 2015 would have grown to \$182 at the end of 2017, more than doubling the return of the S&P 500 over the same period.

Consistent with shareholder interests and market best practices, our executive compensation program includes the following sound governance features:

### *What we do:*

Align pay and performance

Emphasize variable and performance-based compensation, with cash-based and equity-based performance targets approved by the Compensation Committee based on budgeted levels reviewed and approved in advance by the Board

Discourage unnecessary and inappropriate risk taking, including obtaining an annual independent risk assessment analysis

Regularly monitor our share utilization from equity compensation awards and the potential dilutive impact

Maintain robust stock ownership guidelines for our executive officers and directors (including 5x salary for CEO)

Maintain an incentive compensation clawback policy

Provide for double-trigger change in control vesting on all new equity grants since 2016, and no single-trigger cash or similar payment rights upon a change in control

Retain an independent compensation consultant who conducts an annual benchmarking of our compensation against industry peer group

Include caps on annual incentive plan payments and shares earned under PSUs

### *What we don't do:*

**X** Pay dividends or dividend equivalents on unearned performance stock units

- X** Maintain employment agreements with executive officers (unless required by law)
  
- X** Pay excise tax gross-ups for change in control payments
  
- X** Reprice stock options

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**X** Pay cash severance under our current agreements and policies (including to CEO) in excess of 1.5x salary and bonus (2.0x in the case of a change in control)

**X** Permit hedging or pledging of our securities by directors or executive officers

**Compensation Guiding Principles and Philosophy**

The Compensation Committee (referred to throughout this Compensation Discussion and Analysis as the Committee) is comprised solely of independent directors. The Committee recommends to the Board for determination by the Board, the President and Chief Executive Officer's compensation, and discharges the responsibilities of the Board relating to all compensation of the Company's other executive officers (including equity-based compensation for both executive officers and other key employees). The Committee guides itself in large part by our executive compensation philosophy. The compensation program for executive officers reflects the Committee's pay-for-performance outlook, which seeks to align compensation with the goals of growing our business and increasing shareholder value.

The Committee is guided by a set of overall compensation guiding principles. In September 2017, the Committee adopted the Orthofix Executive Compensation Guiding Principles (the Executive Compensation Guiding Principles), which update the Company's prior Executive Compensation Guiding Principles and Compensation Philosophy for Senior Executives with a combined set of guidelines. These guiding principles are as follows:

Each compensation element should be competitive within the medical device industry but also tailored to Orthofix's business needs, supporting the Company's business strategy and hiring objectives of attracting, retaining and motivating top talent.

Variable compensation should provide significant leverage (upside and downside) so that payouts are commensurate with performance and replicate the shareholder-experience.

The Compensation Committee will have responsibility for all compensation decisions related to the executive officers, who are Section 16 reporting persons (referred to collectively as the Section 16 executive officers).

Management will have responsibility for compensation decisions related to all executives of the Company who are not Section 16 executive officers, subject to limits established by the Compensation Committee (i.e., long-term incentive awards and change in control agreement participation).

The Company's executive compensation program should be easily understood by employees. Management is responsible for effectively communicating the design and administration of the program to employees. Consistent with these principles, the Committee's compensation philosophy is to fairly compensate executive officers with an emphasis on providing incentives that balance our short- and long-term objectives. As described in more detail below, achievement of short-term objectives is rewarded through base salary and annual cash incentive awards, while grants of performance share units, and time-based vesting stock options and restricted stock, encourage executive officers to focus on our long-term goals. These core components remain the basis for our executive compensation philosophy as we seek to achieve profitable growth. The Compensation Committee retains full discretion to set compensation (including salary and bonus amounts) and make long-term incentive awards that differ from the Executive

Compensation Guiding Principles, especially when special retention, recruitment or other factors suggest that such changes are believed to be in the best interests of the Company and its stockholders. The Executive Compensation Guiding Principles are reviewed and updated from time to time by the Compensation Committee.

In implementing this overall pay-for-performance compensation philosophy for the Company's executive officers, the Committee places considerable emphasis on variable elements of pay within the executive compensation program. These elements consist of the Company's annual incentive plan, which is intended to reward executive officers for achieving specific operating and financial objectives during the fiscal year, as well

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as a long-term incentive plan that consists of stock options, balanced with both performance-based and time-based vesting stock awards. The Committee seeks to provide rewards through the annual incentive plan by measuring performance based on key pre-established measures reflecting positive financial performance by the Company and its business units. The Committee also seeks to provide strong linkage between executives and shareholders with grants of equity, as the value of these awards appreciates in accordance with the market value of the Company's common stock. In addition to variable compensation programs, executives also receive health and welfare benefits (including our 401(k) plan) that are generally consistent with those provided by our peer group and with the level of health and welfare benefits provided to all Company employees.

***Governance of Executive Compensation***

As described further below, executive compensation for our executive officers is reviewed and established annually by the Committee, which consists solely of independent directors. The Committee's compensation decisions are intended to reflect its ongoing commitment to strong compensation governance, which the Committee believes is reflected in the following elements of our executive compensation:

***Pay At Risk Based on Performance*** As our programs are designed using a pay-for-performance philosophy, actual pay realized (earned) by our executives is predominantly at risk through our performance-based annual incentive program and through our long-term incentive grants that consist of both stock options (which will only provide value to executives if our stock price appreciates) and both time-based and performance-based vesting stock awards. For example, 50% of the total annual equity awards made through our long-term incentive grants only vest based on certain total shareholder return (TSR) criteria being met. In structuring this mix of compensatory elements, the Committee seeks to deliver pay in a way that reinforces focus on balancing short- and long-term financial performance objectives, while supporting performance with policies that focus on prudent risk taking and the balance between risk and reward.

***Stock Ownership Guidelines Align Our Executive Officers and Directors with Shareholders*** The Committee believes that a significant portion of each executive's and director's compensation should be tied to the Company's financial performance and share price. We seek to award stock options and stock awards pursuant to our long-term incentive plan so that over a period of time, a significant portion of actual compensation is provided in the form of share-based compensation. In this regard, we have adopted stock ownership guidelines that apply to all of our executive officers and directors. The guidelines provide that the President and Chief Executive Officer should have an ownership in the Company's common stock equal to five times his or her annual base salary, while all other executive officers (including executive officers who are not named executive officers in the Company's annual proxy statement) should have ownership equal to two times his or her annual base salary. The guidelines provide that each director should have ownership equal to three times his or her annual director fee compensation. Full credit is given under the guidelines for common stock owned, while 50% credit is provided for (i) unvested time-based vesting restricted stock and (ii) the unrealized gain on vested and in-the-money stock options. No credit is given for unvested stock options, out-of-the-money stock options or unvested performance vesting restricted stock or units. The guidelines include a 5 year phase-in period from the date of appointment or election, as applicable, and progress towards meeting and maintaining these amounts is measured annually as of February 28. Subject to phase-in periods for recent appointments, all executive officers and directors are in compliance with the policy at the present time.



***Clawback Policy Promotes Long-Term Performance*** In 2012, we adopted a clawback policy that applies to each of our executive officers, and applies to both cash-based and equity-based compensation. This policy is more fully described below on page 64.

***No Repricing of Stock Options*** Stock options are never issued with below-market exercise prices, and the repricing of stock options without shareholder approval is expressly prohibited under the terms of our long-term incentive plans. The Committee believes that the issuance of discount stock options and authorization of post-grant date repricings are each not performance-based pay practices, and therefore inconsistent with the Committee's commitment to pay-for-performance.

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***Independent Report Supports Committee's Risk Assessment*** The Committee annually assesses the relationship between the Company's compensation policies and practices for all employees and risk, including whether such policies and practices encourage imprudent risk taking, and/or would be reasonably likely to have a material adverse effect on the Company. At the Committee's request, Willis Towers Watson delivered a report in 2017, assessing potential risk that may be present in the design or administration of the Company's compensation program. Consistent with Willis Towers Watson's findings, the Committee believes that the Company's employee compensation programs (executive and broad-based) provide multiple and effective safeguards to protect against undue risk.

***No Hedging Policy*** Our corporate governance guidelines prohibit all executive officers and directors from engaging in any hedging or monetization transactions involving the Company's securities, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. No executive officers or directors currently are parties to a hedge with respect to any shares of Common Stock of the Company.

***No Pledging Policy*** Our corporate governance guidelines prohibit all executive officers and directors from pledging the Company's securities as collateral for a loan. Acquiring Company shares on margin, or holding Company shares in a margin account, is also prohibited. No executive officers or directors currently are parties to a pledge of any shares of Common Stock of the Company.

***Double-Trigger Change in Control Vesting*** Since July 2016, equity grants are made using forms of award agreement featuring double trigger vesting, whereby awards will only accelerate vesting following an involuntary termination of employment if such involuntary termination occurs within 24 months of a change in control (or if such involuntary termination otherwise results from death or disability). In addition we do not provide for any single-trigger cash or similar payment rights upon a change in control.

***Use of Independently Prepared Competitive Assessments*** The practice of the Compensation Committee is to engage the Company's compensation consultant to prepare an independent executive compensation competitive assessment to measure our program against peer companies and other survey data. The Committee takes these results into consideration in approving our executive compensation program.

### ***Compensation Process***

The Committee is responsible for establishing and evaluating compensation policies and determining, approving and evaluating executive compensation, including the total compensation packages for our Section 16 executive officers. The Committee is also responsible for administering the Company's equity incentive plans and other executive compensation policies and programs. The Committee specifically considers and approves the compensation for the executive officers and recommends for approval of the Board the compensation for the Chief Executive Officer. (The Chief Executive Officer is prohibited from being present during Committee or Board voting or deliberations with respect to his own compensation arrangements.) The Committee also is responsible for making recommendations to the Board regarding the compensation of directors. The Committee relies on the President and Chief Executive Officer to make recommendations on certain aspects of compensation as discussed below. The Committee acts under a written charter adopted by the Board. The Committee reviews its charter annually and recommends any changes to the Board. The charter is available on our website at [www.orthofix.com](http://www.orthofix.com). As of the beginning of 2017, Mr. Paolucci, together with Drs. Jordan and Martin, served as the members of the Compensation Committee, with Dr. Jordan serving as

Chair. Drs. Jordan and Martin each retired from the Board as of last year's annual meeting. To fill the committee seats vacated by Drs. Jordan and Martin, and as part of the Board's normal committee rotation process, Ms. Sainz and Mr. Lukianov replaced Drs. Jordan and Martin on the committee as of the date of last year's annual meeting (at which time Mr. Paolucci became Chair).

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During 2017, each member of the Board who served on the Committee was an independent, non-employee, non-affiliated, outside director while he or she served on the Committee. The Committee has furnished its report below.

### ***Role of Executive Officers***

At the Committee's request, from time to time certain of our senior management present compensation-related initiatives to the Committee. For instance, while the Committee approves all elements of compensation for executive officers, the Committee requests on an annual basis that senior management aid the Committee in fulfilling its duties by facilitating the gathering of information relating to potential targets and goals under our annual incentive program as well as possible equity incentive grants. The Committee then reviews this information in connection with it setting annual incentive targets and goals, or making equity grants. Under the Executive Compensation Guiding Principles, management is responsible for compensation decisions related to all executives who are non-Section 16 officers, subject to limits established by the Compensation Committee (e.g., long-term incentive awards and change in control agreement participation). In this context, the President and Chief Executive Officer has general oversight for the non-executive officer employee compensation process within the Company, and provides input to the Committee in such capacity. The President and Chief Executive Officer also provides the Committee with additional input, perspective, and recommendations in connection with the Committee's salary determinations for executive officers. The President and Chief Executive Officer, Chief Financial Officer, Chief Legal and Administrative Officer, and Vice President of Human Resources frequently attend meetings of the Committee in these respective capacities. These individuals are excluded from any Committee or Board deliberations or votes regarding their own compensation.

### ***Compensation Consultant***

The Committee has the authority under its charter to retain, at the Company's expense, outside compensation consultants to assist in evaluating compensation. The Committee also has the authority to terminate those engagements. In accordance with this authority and to aid the Committee in fulfilling its duties, the Committee engaged Mercer LLC ( Mercer ) as its outside compensation consultant in September 2017. Prior to the engagement of Mercer, Willis Towers Watson served as the Committee's compensation consultant.

In its role as compensation consultant, Mercer, at the Committee's request, periodically conducts reviews and recommends updates to our executive officer and director compensation programs and long-term incentive practices.

In connection with their engagement, Mercer reported to the Committee regarding its independence based on the six factors outlined in SEC regulations issued under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Committee considered these factors and concluded that Mercer is independent and that its engagement by the Committee raised no conflicts of interest.

### ***Peer Group Benchmarking***

Decisions related to executive compensation program design and pay levels are informed, in part, by the practices and pay levels of comparable peer organizations. During 2017, the Committee engaged Mercer to conduct an executive compensation analysis that provided market competitive levels of total compensation. This assessment, which was completed and presented in December 2017, compared Orthofix executive officer compensation levels in comparison with market data to determine whether compensation levels for our executive officers remain consistent with market practice and our compensation philosophy. In conducting the assessment, Mercer made comparisons to our peer group and survey data including companies in the life sciences/medical devices industries and technology companies.

In conducting the 2017 benchmarking, Mercer utilized a selection of 19 peer companies. This selection of peer companies, or peer group, reflects revisions to the Company's 2016 peer group, which revisions were approved

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by the Committee in November 2017. The revisions to the peer group for 2017 consisted of the addition of Cardiovascular Systems, Inc., CryoLife Inc., Halyard Health, Inc., LivaNova PLC and Nevro Corp., and the deletion of Exactech, Inc., Globus Medical, Inc. and The Spectranetics Corporation. The members of the peer group were selected for inclusion principally because of their overall similarity to Orthofix in terms of annual revenue, industry sector/sub-sector, medical technology product lines and international penetration. The revised peer group consists of the following medical technology and device manufacturers and distributors, some of which we compete against for executive talent.

ABIOMED, Inc.	K2M Group Holdings, Inc.
Angiodynamics, Inc.	LivaNova PLC
Cardiovascular Systems, Inc.	Merit Medical Systems, Inc.
CONMED Corporation	Nevro Corp.
CryoLife, Inc.	Natus Medical Inc.
Haemonetics Corporation	NuVasive, Inc.
Halyard Health, Inc.	NxStage Medical, Inc.
ICU Medical Inc.	RTI Surgical Inc.
Integer Holdings Corporation	Wright Medical Group N.V.

**Integra LifeSciences Holdings Corporation**

Mercer's 2017 assessment of compensation levels for the Company's executive officers found that, on average, target total direct compensation (base salary, target cash bonus and target long-term incentive compensation) for the group as a whole was near the market median based on data for our peer group and survey data (as described above). Specifically, Mercer reported that each of base salary and target bonus were 4% above the market median, on average, and target long-term incentive compensation was 3% above the market median, on average.

***The Role of Shareholder Say-on-Pay Votes and Shareholder Engagement***

The Company provides its shareholders with the opportunity to cast an annual advisory, non-binding vote on executive compensation (a say-on-pay proposal), and subsequently evaluates these results. At the 2017 annual meeting, the Company's say-on-pay proposal was supported by 92% of the votes cast, which we believe supports the Company's pay-for-performance approach to executive compensation. The Committee evaluated the results of the vote in the fall of 2017.

The Committee believes that the voting results over the course of the last several years (which has included 90% or greater approval votes at five of the Company's last six annual general meetings of shareholders) affirm shareholders' overall support of the Company's approach to executive compensation, including continuing efforts by the Committee during that time to evolve the Company's compensation programs towards policies viewed by institutional and other shareholders as aligning executive compensation with the interests of shareholders and good corporate governance. In addition to responding to the input of shareholders, the Committee also has considered many other factors in evaluating and setting the Company's executive compensation programs, including the Committee's assessment of the interaction of our compensation programs with our corporate business objectives, periodic analysis of our programs by our compensation consultant, and annual review of data versus a comparator group of peer companies, each of which is evaluated in the context of the Committee members' fiduciary duty to act as the directors determine to be in

shareholders' best interests. Each of these factors informed the Compensation Committee's decisions regarding named executive officers' compensation for 2017. The Committee will continue to consider feedback from shareholders, including the outcome of the Company's say-on-pay votes, when making future compensation decisions for its named executive officers.

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**Elements of Executive Compensation**

*Overview*

Our compensation program for executive officers and other key employees consists of three primary elements:

annual salary;

performance-based incentives in the form of annual cash bonuses; and

long-term equity-based incentives under our long-term incentive plan.

The Committee reviews annually what portion of an executive officer's compensation should be in the form of salary, potential annual performance-based cash bonuses and long-term equity-based incentive compensation. The Committee believes an appropriate mix of these elements, commensurate with our compensation philosophy, will assist the Committee in meeting its compensation objectives. See below for more information on the Committee's guidelines for each element of executive compensation. As part of its decision making process, the Committee reviews information setting forth all components of the compensation and benefits received by our named executive officers. This information includes a specific review of dollar amounts for salary, bonus and long-term equity-based incentive compensation. In addition, as further described below, we sometimes grant one-time bonuses and stock awards in connection with new hires and promotions, or for retention or special recognition purposes.

The charts below show the annual total target compensation (full-year base salary, target annual cash incentive compensation and long-term equity incentive compensation received) for our President and Chief Executive Officer and our other named executive officers for 2017. These charts illustrate that a significant portion of our named executive officer total target compensation was performance-based (53% for our President and Chief Executive Officer).

*\* All other compensation value not displayed as it represents less than 1% of total direct compensation.*



**Table of Contents*****Annual Salary***

The Committee makes annual determinations with respect to the salaries of executive officers. In making these decisions, the Committee considers each executive officer's performance, experience, contribution to the Company's success, the market compensation levels for comparable positions within and outside our peer group, performance goals and objectives and other relevant information, including recommendations of the President and Chief Executive Officer. Under the Executive Compensation Guiding Principles, we target a base salary range between the 25th and 75th percentile of peer group and/or market data. The Committee also makes annual recommendations to the Board for the salary of the President and Chief Executive Officer.

The range of increase for 2018 was determined based on the individual executive officer's positioning within the peer group study, as well as individual performance and contribution to Company performance. The annual base salary amounts for our currently employed named executive officers are as follows:

<b>Name</b>	<b>Title</b>	<b>2017 Annual Base Salary</b>	<b>2018 Annual Base Salary</b>	<b>Percentage Increase</b>
Bradley R. Mason	President and Chief Executive Officer	\$ 710,800	\$ 740,000	4.1%
Douglas C. Rice	Chief Financial Officer	\$ 390,000	\$ 420,000	7.7%
Michael M. Finegan	Chief Strategy Officer	\$ 412,000	\$ 418,000	1.5%
Kimberley A. Elting	Chief Legal and Administrative Officer	\$ 382,000	\$ 410,000	7.3%
Davide Bianchi <sup>(1)</sup>	President, Global Extremity Fixation	CHF 364,984	CHF 379,911	4.1%

<sup>(1)</sup> Mr. Bianchi is paid in Swiss Francs (CHF). Based on the average exchange rate to U.S. Dollars applicable during the 2017 fiscal year (1.0159), the amounts shown in the table above would be \$370,780 and \$385,944, respectively.

***Cash Performance-Based Incentives Annual Incentive Program***

The Committee believes that a significant portion of the compensation for each executive officer should be in the form of annual performance-based cash bonuses. These bonuses are provided through our annual incentive program, which seeks to tie an executive officer's total cash compensation to our immediate, one-year financial performance.

The Compensation Committee is responsible for approving the annual bonus plan design every year. At the outset of each year the Committee establishes target performance goals and a range of performance around the target performance goals for which a bonus would be paid as described below. The plan design, metrics, and metric incentive zones should support the annual corporate goals and objectives for the year.

For 2017, performance goals for Messrs. Mason, Rice and Finegan and Ms. Elting were based on Company-wide net sales and adjusted EBITDA performance, each weighted at 50%. (Adjusted EBITDA consists of EBITDA (defined as GAAP-derived income from continuing operations less net interest expense, income tax expense, depreciation and amortization) net of credits or charges that were considered by the Committee at the time bonus targets were set to be outside of the normal ongoing operations of the Company.) For Mr. Bianchi, these two metrics were each weighted at 25%, while sales and adjusted EBITDA for Mr. Bianchi's Extremity Fixation strategic business unit were each weighted at 25%.

The Committee set the performance goals with the intent that it will be challenging for a participant to receive 100% of his or her incentive opportunity target award. However, an executive officer can earn up to 150% of his or her targeted bonus based upon actual performance measured against the range of established performance goals. No payouts are made for performance below the 50% achievement threshold on any specific goal.

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The proposed goals and related matrix were reviewed and approved by the Committee in March 2017, and performance was then subsequently assessed by the Committee in February 2018. Each of the Committee members at the time of the applicable action participated in and approved these respective determinations.

The table below describes the target goals and actual achievement for the categories described above in 2017.

Category of 2017 Goals (1)	Weighting		Achievement Level (in millions)					Weighted Achievement % of Target		
	Other NEOs	Mr. Bianchi	Threshold	Target			Actual	% of Target	Other NEOs	Mr. Bianchi
				50%	100%	150%				
Company-wide Net Sales	50.0%	25.0%	\$ 403.3	\$ 411.5	\$ 423.9	\$ 429.0	150.0%	75.0%	37.5%	
Company-wide Adjusted EBITDA	50.0%	25.0%	\$ 85.4	\$ 89.0	\$ 95.2	\$ 90.2	108.9%	54.5%	27.2%	
Extremity Fixation SBU Net Sales	0.0%	25.0%	\$ 95.2	\$ 97.2	\$ 101.1	\$ 98.6	117.8%	0.0%	29.4%	
Extremity Fixation SBU Adjusted EBITDA	0.0%	25.0%	\$ 13.4	\$ 14.1	\$ 15.8	\$ 15.2	130.0%	0.0%	32.5%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>						<b>129.5%</b>	<b>126.7%</b>	

(1) Committee approval of targets in March 2017 provided that targeted amounts would be adjusted to eliminate the effect of subsequent currency fluctuations. The targeted amounts shown in the table reflect the original targets as adjusted to reflect such pre-approved constant currency adjustments.

**Aggregate Payouts**

To calculate the bonus amount payable, the aggregate weighted achievement percentage for each named executive officer was multiplied by the target amount of bonus for which that participant was eligible. These results are described in the tables below.

Name	Company-wide Net Sales Percent Achievement	SBU Net Sales Percent Achievement	Company-wide Adjusted EBITDA Percent Achievement	SBU Adjusted EBITDA Percent Achievement	Weighted Percent Achievement
Bradley R. Mason	150.0%	N/A	108.9%	N/A	129.5%
Douglas C. Rice	150.0%	N/A	108.9%	N/A	129.5%
Michael M. Finegan	150.0%	N/A	108.9%	N/A	129.5%
Kimberley A. Elting	150.0%	N/A	108.9%	N/A	129.5%
Davide Bianchi	150.0%	117.8%	108.9%	130.0%	126.7%

Name	2017 Base Salary	Target Bonus Percentage	Weighted Percent	Total Annual Incentive Plan
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	<b>Amount</b>	<b>of Salary</b>	<b>Achievement</b>	<b>Bonus</b>
Bradley R. Mason	\$ 710,800	100.0%	129.5%	\$ 920,486
Douglas C. Rice	\$ 390,000	60.0%	129.5%	\$ 303,030
Michael M. Finegan	\$ 412,000	60.0%	129.5%	\$ 320,124
Kimberley A. Elting	\$ 382,000	60.0%	129.5%	\$ 296,814
Davide Bianchi <sup>(1)</sup>	CHF 364,984	60.0%	126.7%	CHF 277,461

<sup>(1)</sup> Mr. Bianchi is paid in Swiss Francs (CHF). Based on the average exchange rate to U.S. Dollars applicable during the 2017 fiscal year (1.0159), the amounts shown in the table would be \$370,787 and \$281,873, respectively. Payouts to the named executive officers under the annual incentive program are reflected in column (g) of the Summary Compensation Table.

**Table of Contents*****Other Bonus Payments***

From time-to-time, the Committee uses its discretion to grant bonuses for performance or for other circumstances, such as in the cases of new hires and promotions. (See column (d) of the Summary Compensation Table. ) The Committee has not granted any bonuses of this nature to named executive officers since 2014.

***Long-Term Equity-Based Incentives*****Overview and Long-Term Incentive Plan 2012 LTIP**

In accordance with the Executive Compensation Guiding Principles, the creation of sustainable shareholder value by means of equity incentive awards is a very important element of the total compensation provided to executive officers.

Our primary equity compensation plan is the 2012 LTIP, which our shareholders approved in June 2012.

Some current and former executive officers continue to hold outstanding awards under our 2004 LTIP, although we no longer grant awards under this plan. The Committee administers each of these plans and only the Committee makes long-term incentive plan grants to named executive officers. In addition, the Committee has in rare instances made inducement grants (in accordance with applicable Nasdaq rules) to newly hired executives outside of shareholder approved plans, as it did in 2013 in connection with the hiring of Mr. Mason. These inducement grants have been made on terms that are substantially the same as grants made under the 2012 LTIP or 2004 LTIP. The Company has not made any such non-shareholder approved plan inducement grants since 2013; however, the Company has entered into a merger agreement to acquire Spinal Kinetics, Inc., a privately held developer and manufacturer of artificial cervical and lumbar discs, and expects to make equity awards to employees of Spinal Kinetics at or shortly following closing in reliance on the Nasdaq inducement grant exception.

At the present time, the Committee grants three types of equity incentive awards to executive officers: (i) time-based vesting stock options, (ii) time-based vesting restricted stock, and (iii) performance-based vesting stock units.

	<b>Stock Options</b>	<b>Restricted Stock</b>	<b>Performance Stock Units</b>
Value Weighting	25%	25%	50%
Performance Conditions	N/A	N/A	TSR relative to the S&P Healthcare Select Index
Term	Ten years	Four years	Three-year performance period with additional one-year holding period
Vesting	Vest in four equal installments on the first, second, third, and fourth anniversaries of the grant date	Vest in four equal installments on the first, second, third, and fourth anniversaries of the grant date	Cliff vest after three years upon certification of results. Subject to additional one-year holding period

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	<b>Stock Options</b>	<b>Restricted Stock</b>	<b>Performance Stock Units</b>
Payout	Upon exercise, participant acquires common shares at the previously defined exercise price	Participant acquires unrestricted shares of common stock upon vesting	<p>Payment made in unrestricted shares of common stock at the end of the holding period</p> <p style="text-align: center;">Payouts at 50% of target for relative TSR performance at the 25th percentile</p> <p style="text-align: center;">Maximum performance capped at 200% of target for relative TSR performance at or above the 75th percentile; overall payouts (i.e., including both performance results and stock price appreciation) capped at 500% of target</p> <p style="text-align: center;">Vesting may not exceed 100% if actual TSR is negative during the performance period</p>

In accordance with the Executive Compensation Guiding Principles, equity incentive awards currently follow the following principles:

Annual long-term incentive awards are delivered in a mix of the types of equity awards described in the preceding paragraph.

Annual long-term incentive awards are made to all Section 16 executive officers.

Annual long-term incentive award values are competitively positioned based on market data for comparable positions and individual performance.

**Time-Based Vesting Grants**

Under the Company's operative agreements with executive officers, the unvested portion of any time-based grant is forfeited if an employee voluntarily ceases employment prior to vesting. In the event that an employee is terminated by the Company without cause any remaining unvested portion of the grant is forfeited. In the event an employee dies, suffers a long-term disability, or retires within certain age and service tenure parameters, the full grant vests. In all of the foregoing circumstances, vested stock options are subject to a limited post-employment exercise period, which ranges from 3 to 18 months depending on the circumstance. In the case of stock options held by employees who remain continuously employed, the options expire and are no longer exercisable 10 years from the grant date. Should a change in control occur while a grantee remains employed, unvested portions of the grant will accelerate only if the employee separates from employment in specific circumstances within 24 months of the change in control.

### **Performance-Based Vesting Grants**

In recent years, the Committee has actively worked with its compensation consultant to implement performance-based vesting equity grants. The Committee first made such a grant in 2013 at the time Mr. Mason joined the Company. Rather than receiving a time-based grant, Mr. Mason agreed that his initial inducement grant of stock options would be subject to a vesting criteria based on sustained performance of the Company's common stock. Specifically, 50% of this grant vested upon the Company's common stock having a sustained average closing price of \$45 or greater, while 50% of this grant vests upon the common stock having a sustained average closing price of \$50 or greater. This award ultimately did not fully vest until approximately five years after the grant date.

**Table of Contents***2016 and 2017 Performance Stock Unit Grants*

For 2016 and 2017, the Committee granted 50% of executive officer(s) total annual equity award value in the form of performance stock units ( PSUs ) that vest based on the total shareholder return ( TSR ) of the Company s common stock relative to other companies in the S&P Healthcare Select Index during a three-year performance period following the date of grant, with the change in share price during the performance period measured using the average closing price during the 20 days preceding each of the beginning and the end of the performance period. Achieved vesting percentages will be as follows:

<b>Company s TSR Percentile Rank</b>	<b>Vesting Percentage</b>
Below 25th Percentile	0%
25th Percentile	50% (threshold)
50th Percentile	100% (target)
75th Percentile or Above	200% (maximum)

In the event that the Company s TSR percentile rank for the performance period falls between any of the amounts set forth above (to the extent greater than the threshold and lower than the maximum), the vesting percentage will be determined by linear interpolation between such amounts.

The PSU award agreement provides that the vesting percentage may not exceed 100% if the Company s absolute TSR during the performance period is negative. In addition, the vesting percentage is capped such that the PSU award will never trigger the issuance of shares with a vesting date fair market value of more than five times the fair market value of the target award on the date of grant. Following the end of the three-year performance period, the shares that vest are subject to a one-year holding period requirement. Generally, if an executive voluntarily ceases employment prior to the end of the three-year performance period, the entire award is forfeited.

*2015 Performance Grants*

For 2015, the Committee made grants to executive officers under a form of performance-based vesting restricted stock and performance share unit agreement covering a three-year performance period. The performance criteria for these awards used two equally-weighted metrics, Adjusted EBITDA and return on invested capital ( ROIC ). Under these grants, recipients received performance-based vesting restricted stock in an amount equal to 100% of the target performance criteria and performance stock units that provide for additional shares to be issued if performance criteria is achieved between 100% and 150% of targets for the 2018 fiscal year. The aggregate award potential is illustrated in the table below:

<b>Metric</b>	<b>Weighting</b>	<b>Threshold (50% vesting)</b>	<b>Target (100% vesting)</b>	<b>Maximum Achievement (150% vesting)</b>
Adjusted EBITDA			\$78.5M for 2016, 2017	
	50%	\$74.6M for 2018 FY	or 2018 FY	\$86.4M for 2018 FY
ROIC			12.2% for 2016, 2017	
	50%	11.6% for 2018 FY	or 2018 FY	13.4% for 2018 FY

Results between points will be linearly interpolated.



In March 2017, the Committee determined that the vesting criteria for the Adjusted EBITDA 100% vesting performance target had been achieved based on the Company's financial results for the fiscal year ended December 31, 2016. The performance-based vesting restricted stock related to the ROIC metric and the performance stock units remain unvested, while both metrics remain eligible for maximum vesting based on 2018 performance.

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### ***Equity Award Approval Process***

The Committee currently reviews and approves dollar values for executive officer equity incentive grants at its March meeting, with the grant effective date being the first business day of April, and the number of shares/units underlying each award (and the exercise price for stock options) based on the closing price of the Company's common stock on such effective date. In prior years, the Committee reviewed and approved annual grants in June, with grant dates occurring on or around July 1.

Generally, the Committee's approval of annual equity incentive grants occurs at a time when the Company's insider trading window for executives is open. However, in the event that grants are approved when such window is closed, the Committee does not seek to affect the value of grants by timing them in relation to the release or non-release of material public information.

### ***Stock Purchase Plan***

Our SPP, as amended, provides for the issuance of shares of our common stock to eligible employees and directors of the Company and its subsidiaries that elect to participate in the plan and acquire shares of our common stock through payroll deductions (including executive officers). During each purchase period, eligible individuals may designate between 1% and 25% (or any other percentage as determined by the Compensation Committee) of their cash compensation to be deducted from that compensation for the purchase of common stock under the plan. Under the plan, the purchase price for shares is equal to the lower of: (i) 85% of the fair market value per share on the first day of the plan year, or (ii) 85% of the fair market value of such shares on the last day of the plan year. The plan year begins on January 1 and ends on December 31. Elections must be made prior to the beginning of each plan year, except in the case of newly appointed directors, who may elect to contribute within 30 days after becoming a director. As amended, up to a total of 1,850,000 shares may be issued under the SPP. As of the Record Date, 221,955 shares remain available to be issued under the SPP.

### **Perquisites and Other Personal Benefits**

Our executive officers are entitled to or may otherwise be the beneficiaries of certain limited perquisites including reimbursement for tax preparation expenses, estate planning expenses and an annual physical exam up to a maximum aggregate amount of \$5,000 per executive officer per year. In addition, our executive officers and directors are entitled to reimbursement of expenses relating to their spouse's travel in connection with no more than one Board meeting per year. We do not consider any of these significant or out of the ordinary course for similarly situated companies. Under our Executive Compensation Guiding Principles, the payment of any perquisite will generally require the approval of the Compensation Committee.

### **Other Plans**

Executive officers participate in our health and welfare benefits (including our 401(k) plan) on the same basis as other similarly situated employees.

### **Compensation Recoupment (Clawback) Policy**

In December 2012, we adopted a compensation recoupment, or "clawback" policy, which applies to all of our executive officers. Under this policy, if we are required to prepare an accounting restatement due to material noncompliance by Orthofix, as a result of misconduct, with any financial reporting requirement under the securities laws, each executive officer is required to reimburse Orthofix for (i) any bonus or other incentive-based or equity-based compensation

received by such executive officer during the 12-month period following the first public issuance or filing with the Securities and Exchange Commission (whichever first occurs) of the financial document embodying such financial reporting requirement, and (ii) any profits realized from the sale of our securities of during that 12-month period.

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**Accounting and Tax Effects**

The impact of accounting treatment is considered in developing and implementing our compensation programs, including the accounting treatment as it applies to amounts awarded or paid to our executive officers.

The impact of federal tax laws on our compensation programs is also considered, including the deductibility of compensation paid to the named executive officers, as limited by Section 162(m) of the Code. Our compensation program historically has been designed with the intention that compensation paid in various forms may be eligible to qualify for deductibility under Section 162(m) of the Code, but there have been and may be other exceptions for administrative or other reasons. However, the Tax Cuts and Jobs Act of 2017 recently eliminated the exception under Section 162(m) for performance-based compensation and expanded the number of employees who may be covered by these deductibility limitations, which may have an effect on how we design future compensation programs and may affect the financial statement impact of executive compensation payments.

***Report of the Compensation Committee***

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with the members of management of the Company and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's proxy statement.

The Compensation Committee

Michael E. Paolucci, Committee Chair  
Alexis V. Lukianov  
Maria Sainz

**Table of Contents****Summary Compensation Table**

The following table sets forth the compensation earned by or paid to our named executive officers for each of the last three fiscal years during which the officer was a named executive officer.

Name and Principal Position (a)	Year (b)	Salary (\$) <sup>(1)</sup> (c)	Bonus (\$) <sup>(d)</sup> (d)	Non-Equity Incentive			All Other Compensation (\$) <sup>(h)</sup> (h)	Total (\$) <sup>(i)</sup> (i)
				Stock Awards (\$) <sup>(2)</sup> (e)	Option Awards (\$) <sup>(2)</sup> (f)	Plan Compensation (\$) <sup>(3)</sup> (g)		
Bradley R. Mason President and Chief Executive Officer	2017	710,800		2,354,789	705,975	920,486	13,708 <sup>(4)</sup>	4,705,758
	2016	705,576		2,583,953	762,136	763,000	19,180 <sup>(5)</sup>	4,833,845
	2015	689,192		1,659,312	473,680	710,656	26,825 <sup>(6)</sup>	3,559,665
Douglas C. Rice Chief Financial Officer	2017	390,000		588,684	176,501	303,030	11,859 <sup>(7)</sup>	1,470,074
	2016	350,519		560,551	165,335	225,630	17,178 <sup>(8)</sup>	1,319,213
	2015	337,500		795,153	226,407	172,368	22,520 <sup>(9)</sup>	1,553,948
Kimberley A. Elting Chief Legal and Administrative Officer	2017	382,000		546,657	163,882	296,814	10,861 <sup>(10)</sup>	1,400,214
Michael M. Finegan Chief Strategy Officer	2017	412,000		504,630	151,279	320,124	11,902 <sup>(11)</sup>	1,399,935
	2016	401,972		516,100	152,224	259,311	19,036 <sup>(12)</sup>	1,348,643
	2015	403,412		402,408	114,872	206,151	24,382 <sup>(13)</sup>	1,151,225
Davide Bianchi President, Global Extremity Fixation <sup>(14)</sup>	2017	370,780		462,549	138,675	281,867	69,314 <sup>(15)</sup>	1,323,185
	2016	357,487		474,093	139,828	249,025	71,056 <sup>(16)</sup>	1,291,489
	2015	359,506		402,408	114,872	147,145	73,581 <sup>(17)</sup>	1,097,512

(1) Amounts include salary deferred and further described in *Deferred Compensation*.

(2) Amounts shown do not reflect compensation actually received. Instead, the amounts shown are the aggregate grant date fair value of equity awards, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (formerly known as Statement of Financial Accounting Standards No. 123(R)), or ASC 718.

(3) Amounts shown reflect cash bonuses paid in 2018, 2017 and 2016 for performance in 2017, 2016 and 2015, respectively, pursuant to our annual incentive program. Our annual incentive program with respect to the 2017 fiscal year, including the Committee's criteria for determining the amounts awarded with respect to the 2018 fiscal year, are described above under *Compensation Discussion and Analysis Elements of Executive Compensation Cash Performance-Based Incentives Annual Incentive Program*.

(4) Reflects \$10,600 for 401k matching and \$2,772 and \$336 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.

(5) Reflects \$5,400 for car allowance, \$10,600 for 401k matching and \$2,772 and \$408 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.

(6) Reflects \$10,800 for car allowance, \$10,600 for 401k matching and \$5,017 and \$408 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.

(7) Reflects \$10,600 for 401k matching and \$931 and \$328 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.

- (8) Reflects \$5,400 for car allowance, \$10,600 for 401k matching and \$826 and \$352 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.
- (9) Reflects \$10,800 for car allowance, \$10,600 for 401k matching and \$788 and \$332 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.
- (10) Reflects \$9,625 for 401k matching and \$915 and \$321 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.
- (11) Reflects \$10,600 for 401k matching and \$966 and \$336 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.
- (12) Reflects \$5,400 for car allowance, \$10,600 for 401k matching, \$1,663 in disability benefits, and \$968 and \$405 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.
- (13) Reflects \$10,800 for car allowance, \$10,600 for 401k matching, \$1,663 in disability benefits, and \$968 and \$351 for insurance premiums paid by, or on behalf of, the Company with respect to group term and term life insurance, respectively.
- (14) Mr. Bianchi is compensated in Swiss Francs. Amounts shown in table reflect compensation amounts as converted to U.S. Dollars using the average exchange rate in effect during the 2017 calendar year of 1.0159.

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(15) Reflects \$24,381 for car and travel allowance and \$44,933 for retirement matching.

(15) Reflects \$24,261 for car and travel allowance and \$46,795 for retirement matching.

(16) Reflects \$27,330 for car and travel allowance and \$46,251 for retirement matching.

**Grants of Plan-Based Awards**

The following table provides information regarding plan-based awards that were granted to our named executive officers during the fiscal year ended December 31, 2017.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards (#)(4)	All Other Option Awards (#)(5)	Equity Exercise or Base Price of Option Awards (\$/Sh)(6)	Grant Date Fair Value of Stock and Option Awards (\$)(7)
		Threshold (\$)(1)	Target (\$)(1)	Maximum (\$)(1)	Threshold (#)(2)	Target (#)(3)	Maximum (#)(2)				
Bradley R. Mason	07/03/2017	355,400	710,800	1,066,200	15,185	30,369	60,738				1,654,807
	07/03/2017							15,184			699,982
	07/03/2017								52,990	46.10	705,975
Douglas C. Rice	07/03/2017	117,000	234,000	351,000	3,796	7,592	15,184				413,688
	07/03/2017							3,796			174,996
	07/03/2017								13,248	46.10	176,501
Kimberley A. Elting	07/03/2017	114,600	229,200	343,800	3,525	7,050	14,100				384,155
	07/03/2017							3,525			162,503
	07/03/2017								12,301	46.10	163,882
Michael M. Finegan	07/03/2017	123,600	247,200	370,800	3,254	6,508	13,016				354,621
	07/03/2017							3,254			150,009
	07/03/2017								11,355	46.10	151,279
Davide Bianchi	07/03/2017	111,234	222,468	333,702	2,983	5,965	11,930				325,033
	07/03/2017							2,983			137,516
	07/03/2017								10,409	46.10	138,675

(1)

Amounts shown represent the threshold, target and maximum amounts that could have been earned for fiscal year 2017 by each Named Executive Officer under our annual performance-based incentive compensation program. The actual amounts earned by each Named Executive Officer are included in the fiscal year 2017 Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above and discussed under *Compensation Discussion and Analysis Elements of Executive Compensation Cash Performance-Based Incentives Annual Incentive Program* above.

- (2) Amounts shown represent the minimum and maximum threshold amounts in shares earned based on performance if the minimum or maximum performance goals are achieved over the three-year performance period beginning on July 3, 2017. No shares will be issued for performance below the minimum target level.
- (3) Amounts shown represent the target amount in shares earned if the target performance goal is achieved with respect to the three-year performance period beginning on July 3, 2017.
- (4) Amounts shown include awards of time-based restricted stock granted in 2017 under the 2012 LTIP. Such shares will vest ratably over four years (subject to certain acceleration provisions, as discussed under *Potential Payments upon Termination or Change in Control* below).
- (5) Amounts shown include awards of stock options granted in 2017 under the 2012 LTIP. Such options will vest ratably over four years (subject to certain acceleration provisions, as discussed under *Potential Payments upon Termination or Change in Control* below).
- (6) The exercise price of the stock options is equal to the closing price of the common stock on the grant date.
- (7) Amounts shown reflect the grant date fair value of equity awards, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (formerly known as Statement of Financial Accounting Standards No. 123(R)), or ASC 718.



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The following table provides information about the number of outstanding equity awards held by our named executive officers at December 31, 2017.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Not Exercisable <sup>(2)</sup>	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 (\$)	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)
Bradley R. Mason	75,000		38.82	3/13/2023				
	75,000		38.82	3/13/2023				
	31,950	10,650 <sup>(3)</sup>	36.25	6/30/2024				
	25,050	25,050 <sup>(4)</sup>	33.12	6/30/2025				
	15,882	47,643 <sup>(5)</sup>	44.39	7/01/2026				
		52,990 <sup>(6)</sup>	46.10	7/03/2027				
					3,950 <sup>(7)</sup>	216,065		
					8,350 <sup>(8)</sup>	456,745		
					13,280 <sup>(9)</sup>	726,416		
					15,184 <sup>(10)</sup>	830,565		
						16,700 <sup>(11)</sup>	913,490	
						16,700 <sup>(11)</sup>	913,490	
						36,300 <sup>(12)</sup>	1,985,610	
						30,369 <sup>(13)</sup>	1,661,184	
Douglas C. Rice	7,500	2,500 <sup>(14)</sup>	32.28	9/04/2024				
	4,876	4,874 <sup>(15)</sup>	36.46	4/24/2025				
	6,638	6,637 <sup>(4)</sup>	33.12	6/30/2025				
	3,446	10,335 <sup>(5)</sup>	44.39	7/01/2026				
		13,248 <sup>(6)</sup>	46.10	7/03/2027				
					625 <sup>(16)</sup>	34,188		
					1,500 <sup>(17)</sup>	82,050		
					4,874 <sup>(18)</sup>	266,608		
					2,212 <sup>(8)</sup>	120,996		
					2,880 <sup>(9)</sup>	157,536		
				3,796 <sup>(10)</sup>	207,641			
						4,425 <sup>(11)</sup>	242,048	
						4,425 <sup>(11)</sup>	242,048	
						7,875 <sup>(12)</sup>	430,763	

							7,592 <sup>(13)</sup>	415,282
Kimberley A. Elting	5,500	16,500 <sup>(19)</sup>	42.89	9/26/2026				
		12,301 <sup>(6)</sup>	46.10	7/03/2027				
					4,200 <sup>(20)</sup>	229,740		
					3,525 <sup>(10)</sup>	192,818		
							7,050 <sup>(13)</sup>	385,635

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Name	Option Awards				Stock Awards		Market Value of Shares or Units of Stock that have not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Nonexercisable(2)	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 (\$)	
Michael M. Finegan	10,000		28.95	6/30/2018			
	20,000		25.01	7/25/2019			
	13,000		29.23	2/15/2021			
	12,500		41.37	2/15/2022			
	23,000		39.66	6/25/2022			
	8,750		21.78	9/26/2023			
	8,325	2,775 <sup>(3)</sup>	36.25	6/30/2024			
	6,076	6,074 <sup>(4)</sup>	33.12	6/30/2025			
	3,172	9,516 <sup>(5)</sup>	44.39	7/01/2026			
		11,355 <sup>(6)</sup>	46.10	7/03/2027			
					925 <sup>(7)</sup>	50,598	
					2,024 <sup>(8)</sup>	110,713	
					2,652 <sup>(9)</sup>	145,064	
					3,254 <sup>(10)</sup>	177,994	
							4,050 <sup>(11)</sup> 221,535
							4,050 <sup>(11)</sup> 221,535
							7,250 <sup>(12)</sup> 396,575
							6,508 <sup>(13)</sup> 355,988
Davide Bianchi	10,000		28.49	7/22/2023			
	6,250		21.78	9/26/2023			
	8,325	2,775 <sup>(3)</sup>	36.25	6/30/2024			
	6,076	6,074 <sup>(4)</sup>	33.12	6/30/2025			
	2,914	8,741 <sup>(5)</sup>	44.39	7/01/2026			
		10,409 <sup>(6)</sup>	46.10	7/03/2027			
					925 <sup>(7)</sup>	50,598	
					2,024 <sup>(8)</sup>	110,713	
					2,436 <sup>(9)</sup>	133,249	
					2,983 <sup>(10)</sup>	163,170	
							4,050 <sup>(11)</sup> 221,535
							4,050 <sup>(11)</sup> 221,535
							6,660 <sup>(12)</sup> 364,302
							5,965 <sup>(13)</sup> 326,286

- (1) All options listed in this column were exercisable as of December 31, 2017.
- (2) All options listed in this column were not exercisable as of December 31, 2017.
- (3) All of these remaining unvested options are subject to vesting on June 30, 2018.
- (4) One-half of these remaining unvested options are subject to vesting on each of June 30, 2018 and 2019.
- (5) One-third of these remaining unvested options are subject to vesting on each of July 1, 2018, 2019 and 2020.
- (6) One-fourth of these remaining unvested options are subject to vesting on each of July 3, 2018, 2019, 2020 and 2021.
- (7) All of these remaining unvested shares of restricted stock are subject to vesting on June 30, 2018.
- (8) One-half of these remaining unvested shares of restricted stock are subject to vesting on each of June 30, 2018 and 2019.
- (9) One-third of these remaining unvested shares of restricted stock are subject to vesting on each of July 1, 2018, 2019 and 2020.
- (10) One-fourth of these remaining unvested shares of restricted stock are subject to vesting on each of July 3, 2018, 2019, 2020 and 2021.
- (11) These remaining unvested shares of performance-based restricted stock and performance-based stock units are subject to vesting upon meeting certain EBITDA or ROIC based performance targets in the year ended December 31, 2018.

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- (12) These remaining unvested market-based performance stock units are subject to vesting upon meeting certain total shareholder return targets in relation to specified index companies over a three-year performance period beginning on July 1, 2016.
- (13) These remaining unvested market-based performance stock units are subject to vesting upon meeting certain total shareholder return targets in relation to specified index companies over a three-year performance period beginning on July 3, 2017.
- (14) All of these remaining options are subject to vesting on September 4, 2018.
- (15) One-half of these remaining unvested options are subject to vesting on each of April 24, 2018 and 2019.
- (16) All of these remaining unvested shares of restricted stock are subject to vesting on September 4, 2018.
- (17) All of these remaining unvested shares of restricted stock are subject to vesting on October 3, 2018.
- (18) One-half of these remaining unvested shares of restricted stock are subject to vesting on each of April 24, 2018 and 2019.
- (19) One-third of these remaining unvested options are subject to vesting on each of September 26, 2018, 2019 and 2020.
- (20) One-third of these remaining unvested shares of restricted stock are subject to vesting on each of September 26, 2018, 2019 and 2020.

For a summary of our standard option agreements, see *Compensation Discussion and Analysis Elements of Executive Compensation Long-Term Equity-Based Incentives* beginning on page 61.

**Option Exercises and Stock Vested**

The following table provides information about the number of shares issued upon option exercises, and the value realized on exercise, by our named executive officers during fiscal 2017.

Name	Option Awards		Stock Awards or Units	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) <sup>(1)</sup>	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) <sup>(2)</sup>
(a)	(b)	(c)	(d)	(e)
Bradley R. Mason	6,667	9,000	60,752	2,320,063
Douglas C. Rice			11,055	454,615
Kimberley A. Elting			1,400	66,668
Michael M. Finegan	22,300	30,105	18,960	766,951
Davide Bianchi			16,513	649,432

- (1) Value realized on exercise calculated based on the difference between the closing price of our common stock on the date of exercise and the option exercise price, multiplied by the number of shares exercised.
- (2) Value determined by multiplying the number of vested shares by the closing price of our common stock on the vesting date.

**Deferred Compensation**

The following table provides information about the amount of compensation deferred by our named executive officers at December 31, 2017. For any named executive officer not listed on the following table, no information was applicable.

<b>Name</b>	<b>Executive Contributions in 2017 (\$)<sup>(1)</sup></b>	<b>Executive Distributions in 2017 (\$)</b>	<b>Aggregate Earnings in 2017 (\$)</b>	<b>Aggregate Balance at December 31, 2017 (\$)<sup>(2)</sup></b>
<b>(a)</b>	<b>(b)</b>	<b>(b)</b>	<b>(d)</b>	<b>(f)</b>
Michael M. Finegan		49,651		

(1) Represents the dollar amount of salary set forth on the Summary Compensation Table, which the executive has deferred in accordance with the Deferred Compensation Plan.

(2) The amounts in the Aggregate Balance at December 31, 2017 column, other than earnings on deferred compensation and amounts described in footnote 1 above, have all been previously disclosed in Summary Compensation Tables in prior filings (to the extent the officer was a named executive officer in prior filings).

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***Potential Payments upon Termination or Change in Control***

**Potential Payments to Named Executive Officers**

***Termination***

Under their change in control and severance agreements, each of Messrs. Mason, Rice, Finegan and Bianchi and Ms. Elting is generally entitled to receive the following severance payments and benefits upon termination of the executive's employment (i) for death or disability, (ii) by the Company without cause (as defined in the agreement) or (iii) by the executive for good reason (as defined in the agreement):

Any unpaid base salary, accrued vacation or prior years' bonus payable or owing through the date of termination;

The pro rata amount of any incentive compensation for the year of termination of employment (based on the number of business days the executive is actually employed by the Company and its subsidiaries during the year in which termination of employment occurs) based on the achievement of the Company's performance goals for such year;

An amount equivalent to 1.5x in the case of Messrs. Mason and Finegan, and 1.0x in the case of Messrs. Rice and Bianchi and Ms. Elting, times the sum of: (i) the executive's annual base salary, (ii) the executive's current year's target bonus; provided that during the 24-month period following any change in control and (iii) \$12,500 for use towards outplacement services, the foregoing multiples increase by 0.5 (to 2.0x in the case of Messrs. Mason and Finegan, and 1.5x in the case of Messrs. Rice and Bianchi and Ms. Elting); and

If the executive elects COBRA in a timely manner, the executive will be reimbursed for the Executive's monthly premium payments for COBRA coverage for a period of up to 18 or 12 months, depending on the executive.

See *Deferred Compensation* beginning on page 70 for a discussion of payments pursuant to the Deferred Compensation Plan upon termination of employment.

***Change in control***

As described above, our change in control and severance agreements provide for a double-trigger so that a change in control (as that term is defined in the agreement) alone does not grant the executive officer any specific right to terminate his employment agreement or receive severance benefits, but as noted above, it increases severance amounts payable following a termination during the 24-month period following any change in control. Under the change in control and severance agreement and the Company's form of time-based equity award agreement, all time-based equity awards granted in or after 2016 contain double-trigger vesting provisions whereby awards will vest if, within 24 months of a change in control, the executive is terminated by the Company without cause or resigns for good reason. For unvested awards made in 2015 and earlier, the Executive would receive single-trigger vesting upon a change in control.

See *Deferred Compensation* beginning on page 70 for a discussion of payments pursuant to the Deferred Compensation Plan upon a change in control.

**Executive Change in Control and Severance Agreements**

Under our current Executive Compensation Guiding Principles, the Compensation Committee provides executive officers with competitive change in control severance benefits that target market practices. All new change in control agreements must be approved by the Compensation Committee. The Compensation Committee approves all change in control and severance arrangements for executive officers.



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Consistent with the foregoing, in 2016, the Company discontinued its prior practice of entering into employment agreements with US-based executive officers. Instead, the Compensation Committee approved a new form of change in control and severance agreement, which is offered to executive officers. Pursuant to the change in control and severance agreement, executive officers are eligible to receive the following severance payments and benefits upon termination of their employment (i) for death or disability, (ii) by the Company without cause (as defined in the agreement) or (iii) by the executive for good reason (as defined in the agreement):

Any unpaid base salary, accrued vacation or prior years' bonus payable or owing through the date of termination;

The pro rata amount of any incentive compensation for the year of termination of employment (based on the number of business days the executive is actually employed by the Company and its subsidiaries during the year in which termination of employment occurs) based on the achievement of the Company's performance goals for such year;

An amount equivalent to 1.5x or 1.0x, depending on the executive, times the sum of: (i) the executive's annual base salary and (ii) the executive's current year's target bonus; provided that during the 24-month period following any change in control, the foregoing multiples increase by 0.5 (to 2.0x or 1.5x, depending on the executive);

\$12,500 for use towards outplacement services (18,750 during the 24-month period following any change in control); and

If the executive elects COBRA in a timely manner, the executive will be reimbursed for the executive's monthly premium payments for COBRA coverage for a period of up to 18 or 12 months, depending on the executive.

The right to receive cash payments following a change in control remains subject to a double trigger provision, such that payments by the Company are only owed if the executive separates from employment in specific circumstances in connection with or following a change in control.

The agreement contains non-competition and non-solicitation covenants effective so long as the executive is an employee and for a period of 12 or 18 months, depending on the executive, after employment is terminated. The agreement also contains provisions that define certain vesting and exercise rights in connection with time-based equity incentive grants (such as by defining the terms cause, good reason and qualified retirement for purposes of all prior and subsequent time-based equity grants). The agreement does not guarantee any minimum levels of cash or equity-based compensation levels during an executive's employment with the Company. The term of the agreement continues in effect until the earlier of (i) the parties' satisfaction of their respective obligations or (ii) the execution of a written agreement between the Company and the executive terminating the agreement. The agreement amends and supersedes the applicable executive's prior employment agreement with the Company, which prior employment agreements became terminated, null and void upon execution of the new change in control and severance agreement.

***Section 280G***

These agreements reflect that the named executive officer is not entitled to a tax gross-up if the named executive officer incurs an excise tax due to the application of Section 280G of the Code.

Instead, payments and benefits payable to the named executive officer will be reduced to the extent doing so would result in the executive retaining a larger after-tax amount, taking into account the income, excise and other taxes imposed on the payments and benefits.

***Certain Other Provisions***

The agreements described above contain confidentiality, non-competition and non-solicitation covenants effective so long as the executive officers are employees of Orthofix or any of its subsidiaries and for a period of

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one year after employment is terminated. The agreements also contain confidentiality and assignment of inventions provisions that last indefinitely.

Orthofix's obligation to pay or provide any severance benefits under each agreement (other than any benefits as a result of death) is conditioned upon the executive officer signing a release of claims in favor of the Company and its affiliates by a specified date following separation from employment.

**Estimated Payments**

The following table reflects the estimated payments and benefits that would be provided to each of Messrs. Mason, Rice, Finegan and Bianchi and Ms. Elting upon his or her termination or upon a change in control pursuant to the terms of his or her respective change in control and severance agreement and related equity award agreements. For purposes of this table, we assume that the triggering event took place on December 29, 2017, and the price per share of our common stock was \$54.70, the closing market price as of that date. For any triggering event that presupposes a change in control, we assume a change in control has so occurred.

Name	Triggering Event	Lump Sum Severance Payment (\$)	Value of Stock-Based Rights (\$)	Value of Welfare Benefits (\$)	Fees and Expenses of Out-placement Firm (\$)	Total (\$)
Bradley R. Mason	Termination for death or disability	2,132,400	7,560,570	24,233	18,750	9,735,953
	Termination for cause or voluntary termination					
	Termination for good reason or without cause	2,132,400		24,233	18,750	2,175,383
	Termination for death, disability, good reason or without cause during a change in control period	2,843,200	10,780,800	24,233	25,000	13,673,233
Douglas C. Rice	Termination for death or disability	623,999	2,223,729	14,544	12,500	2,874,772
	Termination for cause or voluntary termination					
	Termination for good reason or without cause	623,999		14,544	12,500	651,044
	Termination for death, disability, good reason or without cause during a change in control period	935,999	3,056,125	14,544	18,750	4,025,418
Kimberley A. Elting	Termination for death or disability	611,200	1,108,846	1,616	12,500	1,734,162
	Termination for cause or voluntary termination					
	Termination for good reason or without cause	611,200		1,616	12,500	625,316
		916,800	1,432,282	1,616	18,750	2,369,448

Termination for death, disability,  
good reason or without cause  
during a change in control period

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Name	Triggering Event	Lump Sum Severance Payment (\$)	Value of Stock-Based Rights (\$)	Value of Welfare Benefits (\$)	Fees and Expenses of Out-placement Firm (\$)	Total (\$)
Michael M. Finegan	Termination for death or disability	988,801	1,614,970	18,803	18,750	2,641,324
	Termination for cause or voluntary termination					
	Termination for good reason or without cause	988,801		18,803	18,750	1,026,353
	Termination for death, disability, good reason or without cause during a change in control period	1,318,401	2,356,610	18,803	25,000	3,718,814
Davide Bianchi	Termination for death or disability	593,248*	1,510,230	3,631	12,500	2,119,609*
	Termination for cause or voluntary termination					
	Termination for good reason or without cause	593,248*		3,631	12,500	609,379
	Termination for death, disability, good reason or without cause during a change in control period	889,872*	2,226,958	3,631	18,750	3,139,211*

\* Assumes Swiss Francs are converted to U.S. Dollars using the average exchange rate in effect during the 2017 calendar year of 1.0159.

**Pay Ratio Disclosure**

Presented below is the ratio of annual total compensation of our President and Chief Executive Officer, Bradley R. Mason, to the annual total compensation of our median employee (excluding Mr. Mason). The ratio presented below is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K under the Exchange Act.

We selected the median employee based on full-time, part-time, temporary and seasonal workers employed by the Company or any of its consolidated subsidiaries as of December 31, 2017. In identifying our median employee, we calculated the annual total compensation of each employee as of December 31, 2017. Annual total compensation for these purposes included overtime pay, any applicable bonus, commissions or other cash compensation, equity compensation, benefits, and any other compensation. We did not apply any cost-of-living adjustments as part of the calculation.

The 2017 annual total compensation as determined under Item 402 of Regulation S-K for our CEO was \$4,705,758. The 2017 annual total compensation as determined under Item 402 of Regulation S-K for our median employee was \$63,664. The ratio of our CEO's annual total compensation to our median employee's total compensation for fiscal year 2017 was 74 to 1.

**Director Compensation**

Directors are elected each year at the annual general meeting of shareholders, which is usually held in June. Other director appointments occur from time to time as determined by the Board, for instance, in the event of vacancies on the Board resulting from a director's death, resignation or retirement.

Employee directors, such as Mr. Mason, are not provided any additional compensation for their service as a director.

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### ***Non-Employee Director Compensation Program and Guiding Principles***

We compensate our non-employee directors in accordance with the Company's Director Compensation Guiding Principles. Our compensation program for our non-employee directors is designed to appropriately compensate outside directors for their diverse expertise and time commitment required to serve as a director of a complex and highly regulated global company. The Compensation Committee is responsible for overseeing our non-employee director compensation program. The Compensation Committee's goal for such oversight is to maintain a program that:

attracts and retains directors with the skills needed to guide the Company in achieving its goals;

is competitive with the compensation program provided to directors at other similarly situated medical device companies; and

directly aligns the interests of the Company's directors with the interests of its shareholders

Unless determined otherwise by the Board of Directors, our non-employee director compensation program each year will consist of an annual cash retainer and equity awards, as well as customary and usual expense reimbursement in attending company meetings or attending director training. The targeted competitive position for the total annual compensation package (consisting of annual cash retainer plus annual long-term incentive award) will be targeted to the 50th to 75th percentile range of the Company's peer group. Each year, the Compensation Committee will review the competitiveness of non-employee director compensation relative to the same peer group used to review executive officer compensation levels.

### ***Cash Retainers***

Each non-employee director receives the same base cash retainer amount, but additional cash retainer amounts are paid to the Chairman of the Board and the chairperson of each Board committee. Non-employee directors (other than the Chairman) are paid an aggregate annual cash retainer of \$60,000 for service as a director and member of any committees of the Board on which such director sits. In addition, a non-employee director receives an additional annual cash retainer of \$10,000 if he or she also serves as the Chair of the Compensation, Compliance or Nominating and Governance Committee, and \$15,000 if he or she serves as the Chair of the Audit and Finance Committee. The Chairman is paid an aggregate annual retainer of \$150,000 for service in this role.

### ***Long-Term Incentive Compensation***

We provide non-employee directors long-term incentive compensation under our 2012 LTIP to closely align directors with shareholder interests. We pay non-employee directors long-term incentive compensation in two forms:

a fixed number of stock options awarded to each new director (vesting over four years); and

an annual fixed value long-term incentive delivered in time-vesting restricted stock (with one-year vesting), the value of which is the same for each Director, except the Chairman of the Board will receive a larger

value award commensurate with the role and contribution he or she makes within the Company. Under our current practice, we provide each director a grant of 30,000 four-year vesting stock options at the time such director joins the Board. In addition, the Chairman received 8,000 shares of one-year vesting restricted stock at the time he joined the Board in March 2014.

In recent years, the annual long-term incentive grant has been made in shares of one-year vesting restricted stock. Since 2017, this grant has been made in the form of one-year vesting restricted stock units with deferred delivery (deferred stock units or DSUs), whereby shares underlying vested awards are not delivered until after the applicable director ceases service as a director. (As a result of the foregoing, directors will not be able to sell vested awards while they continue service as a director.)



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In 2016, the Committee recommended to the Board that these annual grants be made on a fixed value basis rather than the previous approach of a fixed share basis. For 2017, the annual grant consisted of an amount of DSUs equal in value to \$165,000 (\$300,000 shares in the case of the Chairman), consistent with 2016 grants, which amounts were approved after the Committee's review of the assessment of our compensation consultant and review of our previous director compensation philosophy described below.

Directors are eligible to participate in our health and welfare programs on substantially the same terms as full-time employees. In addition, directors are each offered the opportunity to enter into a director indemnification agreement.

The following table provides information regarding the 2017 compensation of non-employee directors.

<b>Name<sup>(1)</sup></b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Restricted Stock Awards (Number of Shares Granted)<sup>(1)</sup></b>	<b>Grant Date Fair Value of Restricted Stock Awards (\$)<sup>(2)</sup></b>	<b>Option Awards<sup>(1)</sup></b>	<b>Grant Date Fair Value of Option Awards (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Ronald A. Matricaria	150,000	6,508 <sup>(3)</sup>	300,019 <sup>(3)</sup>				450,019
Luke Faulstick	70,000	3,579 <sup>(4)</sup>	164,992 <sup>(4)</sup>				234,992
James F. Hinrichs	75,000	3,579 <sup>(4)</sup>	164,992 <sup>(4)</sup>				239,992
Guy J. Jordan, PhD	31,731						31,731
Alexis V. Lukianov	60,000	3,579 <sup>(4)</sup>	164,992 <sup>(4)</sup>				224,992
Lilly Marks	60,000	3,579 <sup>(4)</sup>	164,992 <sup>(4)</sup>				224,992
Anthony F. Martin, PhD	27,198						27,198
Michael E. Paolucci	65,000	3,579 <sup>(4)</sup>	164,992 <sup>(4)</sup>				229,992
Maria Sainz	70,000	3,579 <sup>(4)</sup>	164,992 <sup>(4)</sup>				234,992

(1) The following table shows the number of shares subject to outstanding and unexercised option awards and the number of shares subject to outstanding shares of restricted stock or deferred stock units granted to each of the non-employee directors serving during 2017.

(2) Amounts shown reflect the grant date fair value of equity awards, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (formerly known as Statement of Financial Accounting Standards No. 123(R)), or ASC 718.

(3) Represents annual grant of 6,508 one-year vesting deferred stock units on July 3, 2017.

(4) Represents annual grant of 3,579 one-year vesting deferred stock units on July 3, 2017.

The following table shows the number of shares subject to outstanding and unexercised option awards and the number of shares subject to outstanding shares of unvested restricted stock held by each of the non-employee directors serving during 2017 as of December 31, 2017.

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Shares</b>
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	<b>Subject to Outstanding Stock Options as of 12/31/17</b>	<b>Subject to Outstanding Unvested Restricted Stock Awards as of 12/31/17</b>
Ronald A. Matricaria	30,000	6,508
Luke Faulstick	30,000	3,579
James F. Hinrichs	30,000	3,579
Guy J. Jordan, PhD		
Alexis V. Lukianov	30,000	3,579
Lilly Marks	30,000	3,579
Anthony F. Martin, PhD		
Michael E. Paolucci	30,000	3,579
Maria Sainz		3,579

**Table of Contents****Equity Compensation Plan Information**

Our primary equity compensation plan in prior years had been the 2004 LTIP until 2012, when our shareholders approved the 2012 LTIP, which is now our primary equity compensation plan. Some current and former executive officers continue to hold outstanding awards under our previous 2004 LTIP, although we no longer grant awards under this plan. All named executive officers are also eligible at their discretion to acquire shares of common stock pursuant to our SPP. Each of these has been approved by our shareholders. We have also made inducement grants of stock options to new employees in reliance on the Nasdaq exception to shareholder approval for such grants. For more information on our equity compensation plans, see *Compensation Discussion and Analysis Elements of Executive Compensation Long-Term Equity-Based Incentives* beginning on page 61.

The following table provides aggregate information regarding the shares of our common stock that may be issued upon the exercise of options and rights under all of our equity compensation plans as of December 31, 2017.

<b>Plan Category</b>	<b>Number of Securities to Be Issued upon Exercise of Outstanding Options and Rights (#) (a)<sup>(1)</sup></b>	<b>Weighted-Average Exercise Price of Outstanding Options and Rights (\$) (b)<sup>(4)</sup></b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#) (c)</b>
Equity Compensation Plans Approved by Security Holders	1,152,118 <sup>(2)(3)</sup>	\$ 37.26	886,730 <sup>(5)</sup>
Equity Compensation Plans Not Approved by Security Holders	150,000 <sup>(6)</sup>	\$ 38.82	
<b>Total</b>	<b>1,302,118<sup>(3)</sup></b>	<b>\$ 37.47</b>	<b>886,730<sup>(5)</sup></b>

(1) Column does not include time-based vesting restricted stock or performance-based vesting restricted stock that was unvested as of December 31, 2017, as such stock is deemed issued and outstanding at the time of grant, notwithstanding that such shares remain subject to a risk of forfeiture until vesting.

(2) Column reflects 936,822 shares issuable upon the exercise of stock options, 27,982 shares issuable pursuant to outstanding deferred stock units, and 187,314 shares issuable pursuant to outstanding performance share units, in each case, as of December 31, 2017. Shares issuable pursuant to outstanding performance share units are shown in the table based on the assumption that all applicable performance targets will be achieved at target levels, though ultimate achievement could be below or above target. All awards were granted pursuant to either the 2004 LTIP or the 2012 LTIP. There currently are no more grants being made under the 2004 LTIP.

(3) If all performance share units outstanding as of December 31, 2017 were instead assumed to be achieved at maximum levels, a further 430,815 shares would be issuable in addition to the amount shown in the column.

(4)

The weighted-average exercise price in column only relates to the exercise price of stock options because the deferred stock units and performance share units have no exercise price.

- (5) Included are 345,555 registered shares available for issuance pursuant to the SPP and 541,175 shares remaining available for future award grants under the 2012 LTIP (which assumes that outstanding performance share units are achieved at target levels), in each case, as of December 31, 2017. If all performance share units outstanding as of December 31, 2017 instead were assumed to be achieved at maximum levels, the number of securities remaining available for future award grants under the 2012 LTIP as of December 31, 2017 would be 110,360 shares, and the aggregate amount in column (c) would be 455,915 shares. Of the 345,555 shares that were available for issuance pursuant to the SPP as of such date, 123,600 of these shares were issued in January 2018 pursuant to plan contributions made during the 2017 fiscal year.
- (6) Reflects shares issuable pursuant to an inducement grant stock option granted in 2013 to Mr. Mason in reliance on the Nasdaq exception to shareholder approval for equity grants to new hires.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

*Compensation Committee Interlocks and Insider Participation*

The Compensation Committee, comprised entirely of independent, non-management directors, is responsible for establishing and administering the Company's policies involving the compensation of its executive officers. No employee of the Company serves on the Compensation Committee. The Committee members have no interlocking relationships as defined by the SEC.

*Approval of Related Person Transactions*

Our policy, which is set forth in our Corporate Code of Conduct and Audit and Finance Committee charter, is that the Audit and Finance Committee will review and approve all related person transactions that meet the minimum threshold for disclosure under the relevant SEC rules (generally, transactions involving amounts exceeding \$120,000 in which a related person has a direct or indirect material interest).

*Transactions with Related Persons*

Tyson Fujikawa, the son of Raymond Fujikawa, our President, Spine Fixation, has been employed by the Company since 2007 and is currently the Vice President of International Sales Spine Fixation. For 2017, Tyson Fujikawa's total cash compensation was approximately \$376,000 which includes base salary, bonus and sales commissions. In addition, during 2017, he participated in the Company's general welfare plans and was granted 2,386 restricted stock awards, which vest in four equal annual installments. These arrangements have been approved by our Audit and Finance Committee.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT***Who are the principal owners of Orthofix common shares?*

The following table shows each person, or group of affiliated persons, who beneficially owned, directly or indirectly, at least 5% of our common shares. Our information is based on reports filed with the SEC by each of the firms or individuals listed in the table below. You may obtain these reports from the SEC.

The Percent of Class figures for the common shares are based on 18,862,904 shares of our common stock outstanding as of May 21, 2018. Except as otherwise indicated, each shareholder has sole voting and dispositive power with respect to the shares indicated.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	2,464,012 <sup>(1)</sup>	13.1%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	1,649,893 <sup>(2)</sup>	8.7%

<sup>(1)</sup> Information obtained from a Schedule 13G/A filed with the SEC by BlackRock, Inc. ( *BlackRock* ) on January 19, 2018. The Schedule 13G/A discloses that BlackRock has sole voting power over 2,417,965 shares and sole dispositive power over 2,464,012 shares.

<sup>(2)</sup> Information obtained from a Schedule 13G/A filed with the SEC by The Vanguard Group, Inc. ( *Vanguard* ) on February 8, 2018. The Schedule 13G/A discloses that Vanguard has sole power to vote or direct the vote of 22,745 shares, shared power to direct the vote of 7,396 shares, sole power to dispose of or to direct the disposition of 1,621,618 shares, and shared power to dispose of or to direct the disposition of 28,275 shares.

*Common shares owned by Orthofix's directors and executive officers*

The following table sets forth the beneficial ownership of our common shares, including stock options currently exercisable and exercisable within 60 days of May 21, 2018, by each director, each director nominee, each current and former executive officer listed in the Summary Compensation Table, and all current directors, director nominees and executive officers as a group. The percent of class figure is based on 18,862,904 shares of our common stock outstanding as of May 21, 2018. All directors and executive officers as a group beneficially owned 1,274,442 shares of Orthofix common stock as of such date. Unless otherwise indicated, the beneficial owners exercise sole voting and/or investment power over their shares.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
Bradley R. Mason	420,907 <sup>(1)</sup>	2.2%
Michael M. Finegan	153,490 <sup>(2)</sup>	*
Ronald A. Matricaria	131,613 <sup>(3)</sup>	*
Davide Bianchi	100,915 <sup>(4)</sup>	*
Douglas C. Rice	73,310 <sup>(5)</sup>	*
James F. Hinrichs	56,297 <sup>(6)</sup>	*
Lilly Marks	36,529 <sup>(7)</sup>	*
Luke Faulstick	30,229 <sup>(8)</sup>	*
Maria Sainz	29,267 <sup>(9)</sup>	*

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<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class</b>
Michael E. Paolucci	23,529 <sup>(10)</sup>	*
Kimberley A. Elting	21,365 <sup>(11)</sup>	*
Alexis V. Lukianov	11,566 <sup>(12)</sup>	*
John Sicard		
All directors and executive officers as a group (16 persons)	1,274,442	6.8%

\* Represents less than 1%.

- (1) Reflects 145,721 shares owned directly and 275,186 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (2) Reflects 36,844 shares owned directly and 116,646 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (3) Reflects 95,105 shares owned directly, 6,508 shares issuable pursuant to deferred stock units that vest within 60 days of May 21, 2018 and 30,000 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (4) Reflects 56,022 shares owned directly and 44,893 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (5) Reflects 38,337 shares owned directly and 34,973 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (6) Reflects 22,718 shares owned directly, 3,579 shares issuable pursuant to deferred stock units that vest within 60 days of May 21, 2018 and 30,000 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (7) Reflects 10,450 shares owned directly, 3,579 shares issuable pursuant to deferred stock units that vest within 60 days of May 21, 2018 and 22,500 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (8) Reflects 4,150 shares owned directly, 3,579 shares issuable pursuant to deferred stock units that vest within 60 days of May 21, 2018 and 22,500 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (9) Reflects 25,688 shares owned directly and 3,579 shares issuable pursuant to deferred stock units that vest within 60 days of May 21, 2018.
- (10) Reflects 4,950 shares owned directly, 3,579 shares issuable pursuant to deferred stock units that vest within 60 days of May 21, 2018 and 15,000 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (11) Reflects 12,790 shares owned directly and 8,575 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.
- (12) Reflects 487 shares owned directly, 3,579 shares issuable pursuant to deferred stock units that vest within 60 days of May 21, 2018 and 7,500 shares issuable pursuant to stock options that are currently exercisable or exercisable within 60 days of May 21, 2018.



**Table of Contents****PROPOSAL 2: ELECTION OF DIRECTORS**

Our Existing Articles of Association provides that the Board shall consist of not less than six and no more than fifteen directors, the exact number to be determined from time-to-time by resolution of the Board. The Board is currently comprised of nine seats, all of which seats will be up for election at the Annual General Meeting. We have nominated Mr. Faulstick, Mr. Hinrichs, Mr. Lukianov, Ms. Marks, Mr. Mason, Mr. Matricaria, Mr. Paolucci, Ms. Sainz and Mr. Sicard to stand for election at the Annual General Meeting for these nine seats. Each seat will be elected for a one year term expiring at the 2019 annual general meeting of shareholders and/or until their successors have been elected.

Name	Age	Director		Independent	Audit and Finance Committee	Compensation Committee	Compliance and Ethics Committee	Nominating and Governance Committee
		Since						
Luke Faulstick	55	2014						Chair
James Hinrichs	50	2014			Chair			
Alexis V. Lukianov	62	2016						
Lilly Marks	70	2015						
Bradley R. Mason	64	2013						
Ronald Matricaria (Chairman)	75	2014						
Michael E. Paolucci	58	2016				Chair		
Maria Sainz	52	2012					Chair	
John Sicard	55	2018						

We know of no reason why any nominee may be unable to serve as a director. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Board, or the Board may reduce the number of directors to be elected. If any director resigns, dies or is otherwise unable to serve out his term, the Board may fill the vacancy until the next annual general meeting of shareholders.

***Current Directors (and Directors Standing for Election at the Annual General Meeting)*****Luke Faulstick**

*Director (Nominated to Stand for Re-Election as Director at the Annual General Meeting)*

Mr. Faulstick, 55, joined the Board in September 2014. He has over 25 years of experience as a manufacturing executive and is a recognized expert on Lean Manufacturing and work culture. Since 2012, Mr. Faulstick has been co-owner, President and Chief Executive Officer of PPI Inc., a company operating several manufacturing-focused businesses. Prior to forming PPI, he was the Executive Vice President and Chief Operating Officer of DJO Global. He previously held senior operating management roles at Tyco Healthcare, Graphic Controls, Mitsubishi Consumer Electronics and Eastman Kodak. Under his leadership, DJO Global's operations teams and manufacturing plants won numerous awards including the Shingo Prize for Operational Excellence, Industry Week's Best Plants, and the Association of Manufacturing Excellence Operational Excellence Award. Mr. Faulstick received a Bachelor of Science Degree in Engineering from Michigan State University and a Master of Science Degree in Engineering from Rochester Institute of Technology. He previously served on the

boards of Alphatec Spine and Microdental, as well as Chairman of the Board of the Association of Manufacturing Excellence. Currently he is a member of the Rady Children's Hospital Foundation Board of Trustees and a Certified Board of Director through the UCLA Anderson School of Business.

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The Board believes that Mr. Faulstick's extensive experience as a manufacturing executive, operational knowledge and industry expertise, as well as his previous and current board memberships, brings unique and valuable insight to the Board.

**James F. Hinrichs** *Director (Nominated to Stand for Re-Election as Director at the Annual General Meeting)*

Mr. Hinrichs, 50, was appointed to the Board in April 2014. Since April 2018, he has served as Chief Financial Officer of Cibus, a privately-held agricultural biotech company. From April 2015 to October 2017, he served as Executive Vice President and Chief Financial Officer of Alere Inc, a publicly traded diagnostic company, prior to its sale to Abbott Labs. From December 2010 through March 2015, he served as Chief Financial Officer of CareFusion Corporation, a publicly traded medical technology company, prior to its sale to Becton Dickinson. He previously served as CareFusion's Senior Vice President, Global Customer Support, from January 2010 to December 2010, and as its Senior Vice President, Controller, from January 2009 to January 2010. Prior to joining CareFusion when it was spun off from Cardinal Health, Inc., he worked since 2004 at Cardinal Health in various positions including Executive Vice President and Corporate Controller of Cardinal Health, and as Executive Vice President and Chief Financial Officer of its Healthcare Supply Chain Services segment. He joined Cardinal Health following over a decade of finance and marketing roles at Merck & Co. He holds undergraduate and graduate degrees in business from Carnegie Mellon University.

The Board believes that Mr. Hinrichs' financial and accounting experience gained through the foregoing roles, including in particular his experience as a public company chief financial officer, provide important expertise to the Board and enable him to provide service and leadership as the Chair of the Company's Audit and Finance Committee.

**Alexis V. Lukianov** *Director (Nominated to Stand for Re-Election as Re-Director at the Annual General Meeting)*

Mr. Lukianov, 62, became a director in December 2016, bringing to the Board his more than 30 years of experience in the orthopedic industry. He is Chairman and CEO of Tissue Differentiation Intelligence, LLC, a privately-held ultrasound spine company formed in 2017. From July 1999 to March 2015, he served as Chief Executive Officer and a director of NuVasive, Inc., a publicly-traded medical device company focused on the design, development and marketing of products for the surgical treatment of spine disorders, including serving as Chairman of the Board between 2004 and 2015. From April 1996 to April 1997, Mr. Lukianov was a founder of and served as Chairman of the Board and Chief Executive Officer of BackCare Group, Inc., a spine physician practice management company. From January 1990 to October 1995, Mr. Lukianov held a variety of senior executive positions, including President, with Medtronic Sofamor Danek, Inc., a developer and manufacturer of medical devices to treat disorders of the cranium and spine and a subsidiary of Medtronic, Inc., a publicly-traded medical technology company. Between 1987

and 1990, he was the director of a business unit at Smith & Nephew Orthopaedics that brought limb lengthening technology to the United States from Russia. From 2007 until its acquisition in 2015 by Royal Philips, he served on the Board of Directors of Volcano Corporation, a Nasdaq-listed medical technology company. He has previously served on the boards and the executive committees of BIOCUM, a regional life sciences trade association, the Medical Device Manufacturers Association (MDMA), a national trade association, and the California Health Institute (CHI). Mr. Lukianov also serves on a number of private and non-profit boards.

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The Board believes that Mr. Lukianov's experience leading medical device and orthopedic companies brings valuable industry experience to the Board.

**Lilly Marks**

*Director (Nominated to Stand for Re-Election as Director at the Annual General Meeting)*

Ms. Marks, 70, was appointed to the Board in June 2015. Since 2010, Ms. Marks has served as Vice President for Health Affairs for the University of Colorado and Anschutz Medical Campus, which includes the university's Schools of Medicine, Dental Medicine, Pharmacy, Public Health, College of Nursing and Graduate School and the University of Colorado Hospital and Children's Hospital Colorado. Prior to her health campus leadership role, Ms. Marks spent two decades as both Senior Associate Dean for Finance and Administration at the School of Medicine and Executive Director of University Physicians, Inc., the 501(c)(3) faculty practice plan. Ms. Marks has served as Chair, Board of Directors of the University of Colorado Hospital and is currently a board member of the Board of Directors of the UHealth System, Children's Hospital Colorado, Federal Reserve Bank of Kansas City, the Advisory Board for Clinical Research of the National Institutes of Health, the Fitzsimons Redevelopment Authority, the Association of Academic Health Centers (AAHC), the Global Down Syndrome Foundation, and the Rose Community Foundation. She is also a member of the AAMC Advisory Panel on Research and is a trustee of the University of Colorado Foundation.

The Board believes that Ms. Marks' extensive experience from her previous and current board memberships, as well as her accomplished academic background, brings unique and valuable insight to the Board.

**Bradley R. Mason**

*Director President and Chief Executive Officer (Nominated to Stand for Re-Election as Director at the Annual General Meeting)*

Mr. Mason, 64, has served as a director since the Company's 2013 annual general meeting of shareholders. Mr. Mason rejoined Orthofix in March 2013 as our President and Chief Executive Officer after previously serving as Group President, North America from June 2008 through October 2009, and as a Strategic Advisor from November 2009 through October 2010. Prior to being appointed as Group President, North America, he had served as a Vice President of the Company since December 2003, when the Company acquired Breg, Inc. Prior to its acquisition by Orthofix, Mr. Mason had served as President and Chairman of Breg, a company he principally founded in 1989 with five other shareholders. Mr. Mason has over 30 years of experience in the medical device industry, some of which were spent with dj Orthopedics (formerly DonJoy) where he became an owner and executive in its early development stage and held the position of Executive Vice President. Since his retirement from Orthofix in 2010, he has served in a variety of part-time consulting and advisory roles, including as a consultant to Orthofix since October 2012 (which consulting relationship has been terminated as of March 13, 2013). Mr. Mason is the named inventor on 38 issued patents in the orthopedic product arena. He graduated Summa Cum Laude with an Associate

of Arts and Associate of Science degree from MiraCosta College.

The Board believes that Mr. Mason's leadership skills, operational knowledge and industry expertise, and his perspective as the Company's President and Chief Executive Officer, brings unique and valuable insight to the Board.

**Ronald Matricaria**

*Chairman of the Board (Nominated to Stand for Re-Election as Director at the Annual General Meeting)*

Mr. Matricaria, 75, was appointed to the Board in March 2014. He has more than 35 years of medical device and pharmaceutical experience at St. Jude Medical, Inc. and Eli

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Lilly and Company, Inc. From April 1993 to May 1999, he served as President and Chief Executive Officer of St. Jude Medical, Inc. and served as Chairman of the Board of Directors from January 1995 to May 2002. Prior to joining St. Jude Medical, Mr. Matricaria spent 23 years with Eli Lilly and Company, Inc., where his last position was Executive Vice President of the Pharmaceutical Division of Eli Lilly and Company and President of its North American operations. He also served as President of Eli Lilly International Corporation, as well as President of its Medical Device Division. He currently serves as a director of Kinaxis Inc. a SaaS based software company traded on the Toronto Stock Exchange. Until recently, he served as Chairman of the Board at Volcano Corporation and as a member of the Boards of Phoenix Children's Hospital and Life Technologies Corporation. Additionally, Mr. Matricaria previously has served on the board of a number of other public and private companies including Home Depot Inc., Diametric Medical Inc., Ceridian Inc., Centocor Inc., Haemonetics Inc., Kinetic Concepts, Inc., Hospira Inc., Cyberonics Inc., Vistacare Inc., Advanced Medical Technology Association (AdvaMed), the Pharmaceutical Manufacturers Association International Section, the American Diabetes Association, the American Foundation for Pharmaceutical Education, the National Foundation for Infectious Diseases, the National Retiree Volunteer Center and the Indiana Repertory Theatre as well as a trustee on the board of the Massachusetts College of Pharmacy and Allied Health Science. He also chaired the BioMedical Engineering Institute campaign, which raised an operating endowment for the Institute at the University of Minnesota. He remains a Trustee emeritus of the University of Minnesota Foundation. Mr. Matricaria holds a bachelor's degree in pharmacy from the Massachusetts College of Pharmacy and was awarded an honorary Doctor of Science degree in pharmacy, as well as an honorary PharmD degree, in recognition of his contributions to the practice of pharmacy.

The Board believes that Mr. Matricaria's wealth of experience as both an executive and director in the medical device industry brings invaluable experience and leadership qualities to the Board.

**Michael E. Paolucci** *Director (Nominated to Stand for Re-Election as Director at the Annual General Meeting)*

Mr. Paolucci, 58, was named to the Board and appointed to the Compensation Committee in March 2016. A seasoned Human Resource (HR) executive, Mr. Paolucci has more than 20 years of global experience working directly with Boards of Directors and C-level executives to improve organizational capabilities and HR programs that result in sustained improvements in business performance. Since July 2015, he has served as Vice President and Chief Human Resources Officer for Halozyme Therapeutics Inc., a late stage oncology and biopharmaceutical company. From August 2014 to June 2015, Mr. Paolucci served as Executive Vice President and Chief Human Resource Officer for CareFusion. He also served as Executive Vice President of Human Resources at NuVasive from February 2014 to August 2014, and spent five years at Life Technologies from 2009 to February 2014. Previously, he was head of Human Resources for the services division of Hewlett Packard and served in several leadership roles with EDS, which was acquired by Hewlett Packard. Prior to HP/EDS, he was a partner with the HR consulting firm Towers Perrin. Mr. Paolucci is a graduate of Ohio State University.

The Board believes that Mr. Paolucci's extensive experience as a HR executive and relevant knowledge and understanding of public company compensation issues brings unique and valuable insight to the Board.



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**Table of Contents****Maria Sainz***Director (Nominated to Stand for Re-Election as Director at the Annual General Meeting)*

Ms. Sainz, 52, became a director of Orthofix in November 2012, after previously having served on the Board from June 2008 to September 2011. Since May 2018, she has served as President & CEO of AEGEA Medical, Inc., a privately-held women's health company in the field of endometrial ablation. From April 2012 to June 2017, she was the President and Chief Executive Officer, and a director, of CardioKinetix Inc., a heart failure related medical device company. From April 2008 to October 2011, she was President and Chief Executive Officer of Concentric Medical, Inc., a company developing and commercializing devices to perform mechanical clot removal post-stroke, which was sold to Stryker Corporate in October 2011. Upon this acquisition, she served as General Manager of the Stryker Neurovascular business unit until April 2012. From 2003 to 2006, she was the President of the Cardiac Surgery division of Guidant Corporation. After Boston Scientific acquired Guidant, Ms. Sainz led the integration process for both the Cardiac Surgery and European Cardiac Rhythm Management business of Guidant into Boston Scientific. Between 2001 and 2003, Ms. Sainz was the Vice President of Global Marketing - Vascular Intervention of Guidant. Ms. Sainz earned a Bachelor and Masters of Arts from the Universidad Complutense de Madrid and a Master's Degree in International Management from American Graduate School of International Management. Ms. Sainz has served as a director of Halyard Health, Inc. since February 2015 and of Iridex Corporation since April 2018. Ms. Sainz previously served as a director of The Spectranetics Corporation from 2010 until its sale in August 2017, and of MRI Interventions, Inc. from January 2014 to May 2018.

Ms. Sainz provides the Board with significant experience in the medical device industry, as well as insight into international markets. The Board also values the perspective she brings from her current position as a chief executive officer.

**John Sicard***Director (Nominated to Stand for Election as Director at the Annual General Meeting)*

Mr. Sicard, 55, became a director of Orthofix in March 2018. Mr. Sicard joined the Board in March 2018. Since January 2016, he has served as the President and Chief Executive Officer, and Board Member of Kinaxis, a global supply chain management software company that delivers cloud-based solutions to some of the world's largest manufacturing companies, including many in the life science sector. Mr. Sicard joined Kinaxis in 1994 where he has held a number of senior management roles including being Chief Product Officer from October 2013 to January 2016 and Chief Strategy Officer from September 2012 to September 2013, as well as previously serving as Chief Operating Officer, Executive Vice President of Marketing Development and Service Operations and Vice President of Professional Services. Prior to Kinaxis, Mr. Sicard held positions at FastMAN Software Systems, and Monenco Agra.

The Board believes that Mr. Sicard's extensive experience as a strategic supply chain management executive, as well as his current board membership, brings unique and valuable

insight to the Board.

**The Board unanimously recommends that you vote FOR  
the election of each of the foregoing director nominees standing for election at the Annual General  
Meeting.**

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**PROPOSAL 3: APPROVAL OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Shareholders will be asked to consider, and, if thought fit, approve the consolidated balance sheet and consolidated statement of operations at and for the fiscal year ended December 31, 2017.

Pursuant to Article 116 of Book 2 of the CCC, the Board is required to draw up the Company's consolidated balance sheet and consolidated statement of operations within eight months after the end of the fiscal year and to submit the same to the Annual General Meeting for approval. Approval of these financial statements does not constitute an expression of approval of the Company's financial performance. Rather, the approval by shareholders of these statements is a legally mandated process under Curaçao law. In the event that shareholders do not approve the financial statements, the Company may be required to call a special meeting of shareholders to re-submit the same financial statements for additional approval, which we believe would constitute a waste of shareholder assets. As such, we urge shareholders to support the proposal to permit the Company to comply with its obligations under Curaçao law.

A copy of the Company's consolidated balance sheet and consolidated statement of operations at and for the fiscal year ended December 31, 2017 is included in the 2017 Form 10-K, a copy of which accompanies this proxy statement/prospectus.

**The Board unanimously recommends that you vote FOR the proposal to approve the consolidated balance sheet and consolidated statement of operations at and for the fiscal year ended December 31, 2017.**

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**PROPOSAL 4: ADVISORY AND NON-BINDING VOTE ON EXECUTIVE COMPENSATION**

As required by section 14A of the Securities Exchange Act of 1934, as amended, we are providing our shareholders an opportunity to indicate whether they support our named executive officer compensation as described in this proxy statement/prospectus. This advisory and non-binding vote, commonly referred to as say-on-pay, is not intended to address any specific item of compensation, but instead relates to the Compensation Discussion and Analysis, the tabular disclosures regarding named executive officer compensation, and the narrative disclosure accompanying the tabular presentation. These disclosures allow you to view the trends in our executive compensation program and the application of our compensation philosophies for the years presented. Because our Board views the advisory vote as a good corporate governance practice, and because a majority of our shareholders have expressed a preference for an annual advisory vote, we hold such votes on an annual basis. At the 2017 annual meeting, the Company's say-on-pay proposal was supported by 92% of the votes cast, which we believe supports the Company's pay-for-performance approach to executive compensation. The Committee evaluated these results of the vote in the fall of 2017.

The Committee believes that the voting results over the course of the last several years (which has included 90% or greater approval votes at five of the Company's last six annual general meetings of shareholders) affirm shareholders' overall support of the Company's approach to executive compensation, including continuing efforts by the Committee during that time to evolve the Company's compensation programs towards policies viewed by institutional and other shareholders as aligning executive compensation with the interests of shareholders and good corporate governance. In addition to responding to the input of shareholders, the Committee also has considered many other factors in evaluating and setting the Company's executive compensation programs, including the Committee's assessment of the interaction of our compensation programs with our corporate business objectives, periodic analysis of our programs by our compensation consultant, and annual review of data versus a comparator group of peer companies, each of which is evaluated in the context of the Committee members' fiduciary duty to act as the directors determine to be in shareholders' best interests. Each of these factors informed the Compensation Committee's decisions regarding named executive officers' compensation for 2017. The Committee will continue to consider feedback from shareholders, including the outcome of the Company's say-on-pay votes, when making future compensation decisions for its named executive officers.

As discussed in the Compensation Discussion and Analysis section of this proxy statement/prospectus, we believe that our executive compensation program properly links executive compensation to Company performance and aligns the interests of our executive officers with those of our shareholders.

Accordingly, the Board unanimously recommends that shareholders vote in favor of the following resolution:

**RESOLVED, that the shareholders approve the compensation of the Company's named executive officers as disclosed in this proxy statement/prospectus pursuant to the rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the related footnotes and narrative disclosures.**

Although this vote is advisory and is not binding on the Company, the Compensation Committee of the Board will take into account the outcome of the vote when considering future executive compensation decisions.

**The Board unanimously recommends you**

**for FOR the say-on-pay proposal.**



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**PROPOSAL 5: APPROVAL OF THE AMENDED AND RESTATED 2012 LONG-TERM INCENTIVE PLAN**

Shareholders will be asked to consider the terms of the Amended and Restated 2012 Plan and vote on the adoption of the Amended and Restated 2012 Plan at the Annual General Meeting.

The Board of Directors has adopted the Amended and Restated 2012 Plan, subject to approval from our shareholders. We are asking our shareholders to approve the Amended and Restated 2012 Plan as we believe that approval of the plan is essential to our continued success. The purpose of the Amended and Restated 2012 Plan is to provide eligible employees and non-employee directors an incentive to contribute to the success of the Company and to operate and manage our business in a manner that will provide for the Company's long term growth and profitability and provide a means of obtaining, rewarding and retaining key personnel. In the judgment of the Board of Directors, awards under the Amended and Restated 2012 Plan will be a valuable incentive and will serve to the ultimate benefit of our shareholders by aligning more closely the interests of Amended and Restated 2012 Plan participants with those of our shareholders.

If our shareholders approve the Amended and Restated 2012 Plan, the number of shares of common stock reserved for issuance under the plan will be increased by 1,550,000 shares. As of May 16, 2018, 14,305 shares remained available for future award grants under the 2012 LTIP (assuming all currently outstanding performance share units ultimately are achieved at target levels). In addition, if all performance share units outstanding as of such date were achieved at maximum levels, a further 604,879 shares would be issuable.

If our shareholders approve the Amended and Restated 2012 Plan, the new terms of the plan will govern awards made on and following the date of shareholder approval and the terms of the plan prior to its amendment and restatement will govern awards made prior to the date of shareholder approval. On May 22, 2018, the closing price of our common stock was \$54.09 per share.

The following is a summary of certain material differences between the Amended and Restated 2012 Plan and the 2012 LTIP as it currently exists:

The Amended and Restated 2012 Plan retains the individual limits on the maximum number of shares of common stock that may be granted under the plan pursuant to specified awards and the maximum dollar amount that may be paid as a cash-denominated award over specified periods, but adds a separate, higher limit on the grants that can be made the first year a grantee is employed by the Company. Notwithstanding that changes resulting from the Tax Act (as described below) have made imposing these limits on future awards irrelevant for their original intended purpose, which was the ability to grant awards that qualified as performance-based compensation under Section 162(m) of the Code, we have retained and expanded upon these individual limits because they currently represent good corporate governance procedures and are favored by institutional investors and proxy advisory services. In addition, the Amended and Restated 2012 Plan adds a separate limit on the maximum total compensation (including cash payments and the aggregate grant date value of awards) that may be granted in a fiscal year to an outside director. These limits are discussed in more detail below under *Share Limits*.

The Amended and Restated 2012 Plan retains the requirement that awards subject to time-based vesting are subject to a time-based vesting schedule of a least one year following the date of grant and that awards subject to performance-based vesting are subject to a performance-based vesting schedule that vests based

on the achievement of performance metrics over a period of not less than one year from the date of grant, but adds an exception providing that up to 5% of the number of shares of common stock available for issuance under the Amended and Restated 2012 Plan may be granted without such limitations and that awards that vest due to a grantee's death, disability or retirement, or in connection with a corporate transaction are not subject to the one-year vesting limitation.

The 2012 LTIP included certain design features that were intended to allow awards that qualified as performance-based compensation under Section 162(m) of the Code. These awards were intended to

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be exempt from the \$1 million deduction limit that would otherwise apply under Section 162(m) for compensation paid to certain executive officers. The Tax Act eliminated the exception from the Section 162(m) deduction limit for performance-based compensation and expanded the group of executive officers to which the \$1 million deduction limit applies. As a result, while the Amended and Restated 2012 Plan continues to allow awards to be granted that are subject to performance-vesting conditions, the Amended and Restated 2012 Plan eliminates certain of the provisions that had been required for awards to comply with the exception to the deduction limitation for performance-based compensation. However, the Amended and Restated 2012 Plan still retains certain of the features common to performance-based compensation under Section 162(m) as in effect before the Tax Act, including certain individual award limits and a list of performance criteria, even though those features are no longer required by tax law after the Tax Act. The Company may re-evaluate these features at a later date as guidance is provided by the Internal Revenue Service regarding the changes made to Section 162(m) by the Tax Act. As a result of the changes imposed by the Tax Act, therefore, none of the new awards under the Amended and Restated 2012 Plan will be able to qualify as performance-based compensation under the provisions of Section 162(m) of the Code as in effect prior to the Tax Act, and any awards granted under the Amended and Restated 2012 Plan to our chief executive officer, chief financial officer, and three other most highly compensated executive officers will be subject to the \$1 million deduction limit of Section 162(m) of the Code. The provisions of the 2012 LTIP will continue to apply to any awards granted on or prior to November 2, 2017 that were intended to qualify as performance-based compensation or that were intended to be exempt from the limitations imposed by Section 162(m) of the Code.

Though the Company does not currently have a practice of paying dividends, the Amended and Restated 2012 Plan provides that any cash dividends declared or paid on shares of restricted stock will not be paid currently, but will instead be accrued and will be subject to the same vesting conditions and restrictions that apply to the underlying shares of restricted stock. As a result, any dividends paid in respect of shares of restricted stock will not vest and become payable unless and until the shares of restricted stock to which the dividends apply become vested and nonforfeitable. The 2012 LTIP allowed dividends to be paid on unvested shares of restricted stock.

Assuming a quorum is present at the Annual General Meeting, the approval of the holders of a majority of the votes cast will be required to approve this proposal. Neither abstentions nor broker non-votes will have any effect on the outcome of voting this proposal.

**The Board unanimously recommends that you**

**vote FOR the approval of the Amended and Restated 2012 Plan.**

***Description of the Plan***

A description of the material provisions of the Amended and Restated 2012 Plan is set forth below. This summary is qualified in its entirety by the detailed provisions of the Amended and Restated 2012 Plan, a copy of which is attached as Annex C to this proxy statement/prospectus.

**Administration.** The Amended and Restated 2012 Plan is administered by the Compensation Committee of the Board of Directors. The members of the Compensation Committee meet the requirements of Rule 16b-3 of the Exchange Act and comply with the independence requirements of current Nasdaq listing standards. In addition, to the extent necessary to satisfy any transition rule or applicable transition guidance pertaining to awards intended to satisfy the



criteria for performance-based compensation under Section 162(m) of the Code, the committee administering such awards will consist of two or more directors who qualify as outside directors within the meaning of Section 162(m) and the applicable guidance thereunder. Subject to the terms of the plan, the Compensation Committee may select participants to receive awards, determine the types and amounts of awards and terms and conditions of awards, and interpret provisions of the plan. Members of the Compensation

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Committee serve at the pleasure of the Board of Directors. The Board of Directors may also appoint one or more separate committees, each composed of one or more directors who need not satisfy the independence requirements described above to administer the Amended and Restated 2012 Plan with respect to employees or other service providers who are not officers or directors of the Company. In addition, to the extent permitted by applicable laws, the Compensation Committee may, by resolution, delegate some or all of its authority with respect to the plan and awards to the President and Chief Executive Officer and/or any other officer of the Company designated by the Compensation Committee, provided that the officer delegated such authority may not make grants to Company directors, to executive officers (as defined in Rule 3b-7 under the Exchange Act), or to himself or herself. In addition, the Compensation Committee may not delegate its authority to interpret the Amended and Restated 2012 Plan, any award or any award agreement.

***Common Stock Reserved for Issuance under the Plan.*** The common stock issued or to be issued under the Amended and Restated 2012 Plan consists of authorized but unissued shares or, to the extent permitted by applicable law, issued shares that have been reacquired by the Company. The Amended and Restated 2012 Plan provides for a so-called fungible share pool pursuant to which awards of options and stock appreciation rights (SARs) will be counted against the plan limit as one share for every one share subject to an option or SAR granted under the plan, and full value awards (all awards other than options and SARs) will be counted against the plan limit as 1.84 shares for every one share subject to such full value award. If any shares covered by an award under the Amended and Restated 2012 Plan are not purchased or are forfeited, or if an award otherwise terminates without delivery of any common stock, then the number of shares of common stock counted against the aggregate number of shares available under the plan with respect to the award will again be available for making awards under the Amended and Restated 2012 Plan in accordance with the previously described fungible share pool. The number of shares of common stock available for issuance under the Amended and Restated 2012 Plan will not be increased by (i) any shares tendered or withheld or award surrendered in connection with the purchase of shares of common stock upon exercise of an option SAR, (ii) any shares of common stock that were not issued upon the net settlement or net exercise of an option or stock-settled SAR, (iii) any shares of common stock deducted from an award payment in connection with the Company's tax withholding obligations, or (iv) any shares of common stock purchased by the Company with proceeds from option or SAR exercises.

***Eligibility.*** Awards may be made under the Amended and Restated 2012 Plan to directors, or employees of or consultants to the Company or any of our affiliates, including any such employee who is an officer or director of us or of any affiliate.

***Minimum Vesting Provisions.*** Except with respect to a maximum of 5% of the shares that may be granted under the Amended and Restated 2012 Plan, no portion of any award that vests on the basis of a grantee's continued service may be granted with vesting conditions under which vesting occurs earlier than the one year anniversary of the grant date, and no portion of any award that vests based upon the attainment of performance measures may be granted with a performance period of less than 12 months. (Certain substitute awards that the Company may assume in corporate transactions are not subject to this provision.) The Compensation Committee may, however, provide for the earlier vesting, exercisability, and/or settlement under any award in the event of a grantee's death, disability or retirement in connection with a corporate transaction.

***Amendment or Termination of the Plan.*** The Board of Directors may terminate or amend the Amended and Restated 2012 Plan at any time and for any reason. The Amended and Restated 2012 Plan shall terminate in any event 10 years after the date of shareholder approval of the plan (which, if the plan is approved at the annual meeting, shall make such termination date June 18, 2028). Amendments will be submitted for shareholder approval to the extent required by the Code or other applicable laws, rules or regulations.



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**Options.** The Amended and Restated 2012 Plan permits the granting of options to purchase shares of common stock intended to qualify as incentive stock options under the Code and options that do not qualify as incentive stock options.

*Exercise Price.* The exercise price of each option may not be less than 100% of the fair market value of our common stock on the date of grant. The fair market value is generally determined as the closing price of the common stock on the date of grant. In the case of certain 10% shareholders who receive incentive stock options, the exercise price may not be less than 110% of the fair market value of the common stock on the date of grant. An exception to these requirements is made for options that the Company grants in substitution for options held by employees of companies that the Company acquires. In such a case the exercise price is adjusted to preserve the economic value of the employee's option from his or her former employer. The term of each option is fixed by the Compensation Committee and may not exceed 10 years from the date of grant (or five years from the date of grant in the case of certain 10% shareholders who receive incentive stock options). The Compensation Committee determines at what time or times each option may be exercised and the period of time, if any, after retirement, death, disability or termination of employment during which options may be exercised. Options may be made exercisable in installments. In general, an optionee may pay the exercise price of an option by cash, certified check, or, to the extent an award agreement so provides, by tendering shares of common stock, by means of a broker-assisted cashless exercise or by means of net exercise.

*Transfers.* Options and SARs granted under the Amended and Restated 2012 Plan may not be sold, transferred, pledged or assigned other than by will or under applicable laws of descent and distribution. However, the Company may permit limited transfers of non-qualified options and SARs for the benefit of immediate family members of grantees to help with estate planning concerns.

*Repricing Prohibited.* Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the Company may not amend the terms of outstanding options or SARs to reduce the exercise price or SAR price, as applicable, of such outstanding options or SARs, cancel or assume outstanding options or SARs in exchange for or substitution of options or SARs with an exercise price or SAR price, as applicable, that is less than the exercise price or SAR price, as applicable, of the original options or SARs, or cancel or assume outstanding options or SARs with an exercise price or SAR price, as applicable, above the current fair market value in exchange for cash, awards, or other securities, in each case, unless such action is subject to and approved by the Company's shareholders.

**Other Awards.** The Compensation Committee may also award:

shares of unrestricted stock, which are shares of common stock at no cost or for a purchase price determined by the Compensation Committee which are free from any restrictions under the plan. Unrestricted shares of common stock may be granted, subject to 5% limit discussed above under *Minimum Vesting Provisions*, to participants in recognition of past services or other valid consideration, and may be issued in lieu of cash compensation to be paid to participants;

shares of restricted stock, which are shares of common stock subject to restrictions. Shares of restricted stock have the right to vote and the right to receive dividends declared or paid with respect to such shares, except that cash and stock dividends will not be paid currently but instead will be subject to the same vesting conditions and restrictions applicable to the underlying shares of restricted stock;

stock units, which are common stock units subject to restrictions;

dividend equivalent rights, which are rights entitling the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of common stock. Dividend equivalent rights granted as a component for another award, such as in connection with stock units, will

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not be paid currently but instead will be subject to the same vesting conditions and restrictions applicable to the underlying award;

SARs, which are a right to receive a number of shares or, at the discretion of the Compensation Committee, an amount in cash or a combination of shares and cash, based on the increase in the fair market value of the shares underlying the right during a stated period specified by the Compensation Committee. The exercise price for an SAR shall not be less than the fair market value of a share of common stock on the grant date of the SAR. The term of each SAR is fixed by the Compensation Committee and may not exceed 10 years from the date of grant. The Compensation Committee determines when the SAR may be exercised and the period of time, if any, after retirement, death, disability or termination of employment during which the SAR may be exercised; and

performance and annual incentive awards, ultimately payable in common stock or cash, as determined by the Compensation Committee. The Compensation Committee may grant multi-year and annual incentive awards subject to achievement of specified performance metrics tied to business criteria (described below). The Compensation Committee may specify the amount of the incentive award as a percentage of these performance criteria, a percentage in excess of a threshold amount or as another amount which need not bear a strictly mathematical relationship to these performance criteria. The Compensation Committee may modify, amend or adjust the terms of each award and the performance criteria.

***Effect of Certain Corporate Transactions.*** Unless an applicable award agreement provides otherwise, certain change in control transactions involving us, such as a sale of the Company, will cause grantees of restricted stock, stock units, stock appreciation rights and options to become fully vested, unless the awards are continued or substituted for in connection with the change in control transaction. For awards based on the satisfaction of performance conditions ( Performance Awards ) that are denominated in shares of common stock or stock units, if less than half of the performance period has lapsed, such Performance Awards will be converted into restricted stock or stock units assuming target performance has been achieved (or into unrestricted shares of common stock if no further restrictions apply). If more than half the performance period has lapsed, such Performance Awards will be converted into restricted stock or stock units based on actual performance to date (or into unrestricted shares of common stock if no further restrictions apply). If actual performance is not determinable, such Performance Awards will be converted into restricted stock or stock units assuming target performance has been achieved, based on the discretion of the Compensation Committee (or into unrestricted shares of common stock if no further restrictions apply).

***Adjustments for Stock Dividends and Similar Events.*** The Compensation Committee will make appropriate adjustments in outstanding awards and the number of shares available for issuance under the Amended and Restated 2012 Plan, including the individual limitations on awards (described below), to reflect stock splits and other similar events.

***Section 162(m) of the Code.*** Following the passage of the Tax Act, Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding \$1.0 million in any taxable year to any person who has served as chief executive officer, chief financial officer, or as one of its three other most highly compensated executive officers in any fiscal year beginning after December 31, 2016 (our covered employees). Prior to the passage of the Tax Act, Section 162(m) disallowed a tax deduction for any publicly held corporation for individual compensation exceeding \$1.0 million in any taxable year to its chief executive officer and each of its three other most highly compensated executive officers, other than its chief financial officer, unless such compensation qualified as performance-based compensation within the meaning of the Code. The changes under Section 162(m) are generally effective for taxable years beginning in 2018, but there is a grandfather rule for compensation paid pursuant to a

written, binding contract that was in effect on November 2, 2017, which was not modified in any material respect on or after that date.

As a result of the changes imposed by the Tax Act, the Amended and Restated 2012 Plan does not contain all of the provisions providing for grants of performance-based compensation under the legacy Section 162(m)

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provisions that our 2012 LTIP currently contains. However, the Amended and Restated 2012 Plan does permit the Compensation Committee to provide that vesting of any of the awards that may be granted under the Amended and Restated 2012 Plan may be made subject to the achievement of performance metrics determined by the Compensation Committee, which metrics may include, but are not limited to: (i) net earnings or net income; (ii) operating earnings; (iii) pretax earnings; (iv) earnings per share; (v) share price, including growth measures and total shareholder return; (vi) earnings before interest and taxes; (vii) earnings before interest, taxes, depreciation and/or amortization; (viii) earnings before interest, taxes, depreciation and/or amortization as adjusted to exclude any one or more of the following: stock-based compensation expense; income from discontinued operations; gain on cancellation of debt; debt extinguishment and related costs; restructuring, separation and/or integration charges and costs; reorganization and/or recapitalization charges and costs; impairment charges; gain or loss related to investments; sales and use tax settlement; and gain on non-monetary transactions; (ix) sales or revenue growth, whether in general, by type of product or service, or by type of customer; (x) gross or operating margins; (xi) return measures, including return on assets, capital, investment, equity, sales or revenue; (xii) cash flow, including: operating cash flow; free cash flow, defined as earnings before interest, taxes, depreciation and/or amortization (as adjusted to exclude any one or more of the items that may be excluded pursuant to the Performance Measure specified in clause (viii) above) less capital expenditures; levered free cash flow, defined as free cash flow less interest expense; cash flow return on equity; and cash flow return on investment; (xiii) productivity ratios; (xiv) expense targets; (xv) market share; (xvi) financial ratios as provided in credit agreements of the Company and its Subsidiaries; (xvii) working capital targets; (xviii) completion of acquisitions of businesses or companies; (xix) completion of divestitures and asset sales; and (xx) any combination of the foregoing business criteria.

***Share Limits.*** The maximum number of shares of common stock subject to options or SARs that can be granted under the Amended and Restated 2012 Plan to any person who is not a non-employee director is 400,000 per 12-month period, provided that in a grantee's year of hire the applicable limit is 800,000. The maximum number of shares of common stock that can be granted under the Amended and Restated 2012 Plan to any person who is not a non-employee director, other than pursuant to an option or SAR, is 200,000 per 12-month period, provided that in a grantee's year of hire the applicable limit is 400,000. The maximum amount that may be paid as an annual incentive award or other cash award in any 12-month period to any one person who is not a non-employee director is \$3,000,000 and the maximum amount that may be paid as a performance award or other cash award in respect of a performance period greater than 12 months to any one person who is not a non-employee director is \$6,000,000.

The maximum total compensation (including cash payments and the aggregate grant date fair value of awards that may be granted under the Amended and Restated 2012 Plan) that may be paid to or granted in a 12-month period to a non-employee director for such director's service on the Board of Directors or a committee of the Board of Directors is \$1,000,000.

### ***Federal Income Tax Consequences***

***Incentive Stock Options.*** The grant of an option will not be a taxable event for the grantee or for the Company. A grantee will not recognize taxable income upon exercise of an incentive stock option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of our common stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the grantee holds the shares of common stock for at least two years after the date of grant and for one year after the date of exercise (the holding period requirement). We will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except as discussed below.

For the exercise of an option to qualify for the foregoing tax treatment, the grantee generally must be our employee or an employee of our subsidiary from the date the option is granted through a date within three months before the date



of exercise of the option.

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If all of the foregoing requirements are met except the holding period requirement mentioned above, the grantee will recognize ordinary income upon the disposition of the common stock in an amount generally equal to the excess of the fair market value of the common stock at the time the option was exercised over the option exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. We will be allowed a business expense deduction to the extent the grantee recognizes ordinary income, subject to the one million dollar limitation imposed by Section 162(m), described above, and to certain reporting requirements.

***Non-Qualified Options.*** The grant of an option will not be a taxable event for the grantee or the Company. Upon exercising a non-qualified option, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise. Upon a subsequent sale or exchange of shares acquired pursuant to the exercise of a non-qualified option, the grantee will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shar