



## Orthofix International N.V. Compensation Committee Charter

### 1. Purpose

The Compensation Committee (the "Committee") discharges certain responsibilities of the Board of Directors (the "Board") of Orthofix International N.V. (the "Company") relating to the compensation of the Company Executive Officers<sup>1</sup>. The Committee has overall responsibility for reviewing and approving the Company's executive compensation plans, policies and programs (and, in the case of the Chief Executive Officer's compensation, recommending to the Board for determination by the Board, the goals and objectives relevant to the compensation of the Chief Executive Officer as well as the total compensation package for the Chief Executive Officer). The Committee also has overall responsibility for reviewing and recommending to the Board the compensation of non-employee directors.

### 2. Membership

- a. Members. The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than two members. The members of the Committee shall be appointed annually by the Board.
- b. Qualifications. The Board shall make a good faith determination that each member of the Committee: (i) meets all applicable independence and other requirements of The NASDAQ Stock Market (including those contained in NASDAQ Rule 5605(d)(2)) ("Independence Requirements"); (ii) is a "non-employee director" within the meaning of the rules promulgated under Section 16(b) of the Securities Exchange Act of 1934, as amended ("Section 16"); and (iii) is an "outside director" for purposes of the regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Section 162(m)"); provided, however, that a failure to meet any of such requirements shall not invalidate decisions made, or actions taken, by the Committee.
- c. Chair. The Chair of the Committee shall be appointed by the Board.
- d. Removal and Replacement. The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled, by the Board. In addition,

---

<sup>1</sup> As used in this Charter, the term "executive officer" shall mean the Company's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Officers of the Company's subsidiaries shall be deemed "executive officers" of the Company for purposes of this charter if they perform such policy-making functions for the Company. Note that "policy-making function" is not intended to include policy-making functions that are not significant. The Board and the Committee shall have discretion to construe this definition to be consistent with similar definitions of "officer" or "executive officer" under the Securities Exchange Act of 1934 (as it may be amended from time to time) and its rules and regulations promulgated thereunder.

membership on the Committee shall automatically end at such time as the Board determines that a member: (i) ceases to meet the Independence Requirements; (ii) ceases to be a “non-employee director” for purposes of Section 16; or (iii) ceases to be an outside director for purposes of Section 162(m).

### **3. Committee Structure and Operations**

- a. Meetings. The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year. The Committee may establish its own procedures in a manner not inconsistent with this charter, the Company’s Articles of Association and other corporate governance documents, applicable laws, regulations or listing standards (the “Legal Requirements”). The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such information as the Committee requests; provided, however, that the Chief Executive Officer may not be present during voting or deliberations with respect to his own compensation arrangements (whether such voting or deliberation is occurring at the Committee or Board level).
- b. Agenda. The Chair of the Committee shall develop and set the Committee’s agenda, in consultation with other members of the Committee, the Board and the Company’s management. To the extent practical, the agenda and information concerning the business to be conducted at each Committee meeting shall be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.
- c. Report to Board. The Committee shall report to the Board periodically, but not less than four times annually, and shall make its minutes and other relevant documents available to the Board.
- d. Self-Evaluation; Assessment of Charter. The Committee shall participate in an annual performance self-evaluation in conjunction with the Board annual self-evaluation, which results shall be reported to the Board. The Committee shall assess the adequacy of this Charter periodically (but, in any event, at least annually) and recommend any changes to the Board.
- e. Access and Information. The Committee is at all times authorized to have direct, independent and confidential access to the Company’s other directors, management and personnel to carry out the Committee’s purposes.

### **4. Duties and Responsibilities**

- a. The Committee shall recommend to the Board for approval by the Board the goals and objectives relevant to the compensation of the Chief Executive Officer and, in conjunction with the Board, evaluate at least annually the performance of the Chief Executive Officer in light of these goals and objectives and other factors it deems appropriate, and based on the foregoing, recommend to the Board for determination by the Board the total compensation package for the Chief Executive Officer (with the Chief Executive Officer not being present during voting or deliberations regarding such determination).
- b. The Committee shall, on at least an annual basis, review, approve and determine the total compensation package for the Company’s Executive Officers other than the Chief Executive Officer (the “Non-CEO Officers”), including, without limitation, their base

salaries, bonus, annual incentives, deferred compensation, stock options and other equity-based compensation, incentive compensation, supplemental and incidental benefits and perquisites. The Committee may make all determinations and take any actions that are reasonably appropriate or necessary in the course of establishing the compensation of the Non-CEO Officers (including, as it sees fit, receiving and evaluating recommendations of the Chief Executive Officer or other appropriate members of management or the Company's human resources department with respect to the compensation of the Non-CEO Officers and other non-executive employees).

- c. In considering compensation matters, the Committee may consider, without limitation, and as it deems applicable and appropriate, the Company's performance and relative total shareholder return, compensation at comparable companies, compensation to the Executive Officers in past years and other relevant factors as determined by the Committee or the Board.
- d. The Committee shall review and recommend to the Board, for the Board's further review and approval, compensation programs for non-employee directors consistent with the Legal Requirements and including consideration of cash and equity components of this compensation (provided that the Committee may directly grant and approve equity awards to non-employee directors consistent with levels previously approved by the Board).
- e. The Committee shall produce a report or other disclosure on Named Executive Officer compensation as required by the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement filed with the SEC, or its annual report on Form 10-K, as applicable.
- f. The Committee shall review the results of and procedures for the evaluation of the performance of other Non-CEO Officers by the Company's Chief Executive Officer.
- g. The Committee shall have overall responsibility for evaluating equity-based and incentive compensation plans, policies and programs of the Company and granting awards in any form permitted under the respective plans in accordance with the terms of such plans; provided, however, that the Board shall have the responsibility to adopt and approve any new long-term incentive compensation, employee stock purchase or equity plans, programs or similar arrangements that the Company establishes for, or makes available to, its employees and consultants (collectively, the "Plans").
- h. The Committee shall review periodically the Plans, the appropriateness of the allocation of benefits under the Plans and the extent to which the Plans are meeting their intended objectives and shall modify any Plan that yields payments and benefits that are not reasonably related to employee performance.
- i. The Committee shall administer the Plans in accordance with their terms, construe all terms, provisions, conditions and limitations of the Plans and make factual determinations required for the administration of the Plans.
- j. The Committee shall review and approve (and in the case of the Chief Executive Officer and non-employee directors, recommend to the Board for further approval and/or determination, provided, that the Chief Executive Officer may not be present during Board voting or deliberations regarding his own agreements and compensation arrangements), all new employment, consulting, retirement, arrangements, perquisites and payments proposed for the Company's Executive Officers and Board members. The Committee shall also periodically review and evaluate existing agreements and arrangements with the Company's Executive Officers and Board members for continuing appropriateness.

- k. The Committee shall review and approve all participants who receive a severance and change-in-control agreement.
- l. The Committee shall oversee the Company's policies on structuring compensation programs for Named Executive Officers to preserve tax deductibility and, as and when required, establish and certify the attainment of performance goals pursuant to Section 162(m).
- m. The Committee shall adopt and periodically review a comprehensive statement of executive compensation philosophy, strategy and principles that has the support of the Board, and endeavor to administer the Company's compensation program fairly and consistently in accordance with these principles.
- n. The Committee shall review and approve the disclosure regarding compensation matters (including, without limitation, the "Compensation Discussion & Analysis") in the Company's annual proxy statement filed with the SEC, or its annual report on Form 10-K, as applicable.
- o. The Committee shall oversee the process for identifying and addressing any material risks relating to the Company's compensation policies and practices. The Committee shall review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, and the Committee shall review and discuss at least annually (i) the relationship between the Company's risk management policies and practices and compensation, and (ii) policies and practices that could mitigate such risks.
- p. The Committee shall be responsible for monitoring the application of, and compliance with, the Company's stock ownership guidelines applicable to the Company's non-employee directors and Executive Officers and certain senior-level employees.
- q. The Committee shall be responsible for administering, interpreting and construing the Company's recoupment policy.
- r. The Committee shall review and recommend to the Board for approval the frequency with which the Company will submit advisory proposals to the Company's shareholders relating to executive compensation. In making such recommendation, the Committee shall consider the results of voting on the most recent advisory proposal relating to such frequency submitted to the Company's shareholders pursuant Section 14A(a)(2) of the Securities Exchange Act of 1934. In making decisions affecting the Company's executive compensation policies and practices, the Committee shall consider the results of voting on advisory proposals submitted to the Company's shareholders relating to executive compensation.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee and management, as it deems appropriate in accordance with the Legal Requirements.

The Committee shall have the power and authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser, and shall be directly responsible for the appointment, compensation and oversight of any such compensation consultant, legal counsel or other adviser retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, legal counsel or other adviser retained by the Committee. The Committee may select, or receive advice from, a compensation consultant, legal

counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the factors described in NASDAQ Rule 5605(d)(3)(D).

## **5. Governance Requirements**

The Chair of the Committee or a majority of the Committee members may call meetings of the Committee at any time and for any reason. The notice of meeting need not include specified agenda items and must be provided to the Committee members no less than 24 hours prior to any meeting using any method available under the Legal Requirements. Attendance at any meeting of the Committee shall constitute a waiver of the notice requirement by such member. Meetings may be held using any form of communications equipment, so long as all directors can communicate with each other in real-time, including but not limited to via conference call, e-mail, instant messaging or otherwise over the internet. A majority of the Committee members will constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at a meeting at which a quorum is present will be the act of the Committee, unless in either case a greater number is required by the Legal Requirements. Additionally, the Committee may act by unanimous written consent of all Committee members, or by unanimous consent evidenced by any other form of communication, whether or not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, unless such action in such matter is expressly prohibited by the Legal Requirements.

*Last revised on September 12, 2016*