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

SCHEDULE 14A
**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Surgery Partners, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.

- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing party:

(4) Date Filed:



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MAY 2, 2017

DATE: May 2, 2017

TIME: 10:00 a.m. CDT

PLACE: Corporate Headquarters (principal executive office)
40 Burton Hills Boulevard
Suite 500
Nashville, Tennessee 37215

ITEMS OF BUSINESS:

1. To elect the two Class II director nominees for a term of three years
2. To approve, on an advisory basis, the compensation paid by the Company to its named executive officers;
3. To approve, on an advisory basis, the frequency of future executive compensation advisory votes;
4. To ratify the appointment of Ernst & Young, LLP as our independent registered public accounting firm for fiscal 2017; and
5. To transact any other business that may properly come before the meeting.

RECORD DATE: Holders of shares of our common stock of record at the close of business on March 31, 2017 are entitled to vote at the annual meeting.

ANNUAL REPORT: The Company's Annual Report to Stockholders for the fiscal year ended December 31, 2016 (the "2016 Annual Report"), which is not part of the proxy soliciting materials, is enclosed.

PROXY VOTING: It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy card sent to you. You can revoke a proxy at any time prior to its exercise at the meeting by following the instructions in the attached Proxy Statement.

Whether or not you plan to attend the meeting, your vote is important. After reviewing the proxy materials, please **COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD** in the enclosed stamped envelope in order that as many shares as possible will be represented. To obtain directions to attend the annual meeting and vote in person, please contact Investor Relations at 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee 37215, (615) 234-5900.

The Board of Directors recommends a vote **FOR** the election of the director nominee, a vote **FOR** the approval, on an advisory basis, of the compensation paid by the Company to its named executive officers, a vote of **ONE YEAR** for the approval, on an advisory basis, on the frequency of future executive compensation advisory votes and a vote **FOR** ratification of the appointment of Ernst & Young, LLP as the Company's independent registered public accounting firm.

Each outstanding share of the Company's common stock (the "common stock") (NASDAQ: SGRY) entitles the holder of record at the close of business on March 31, 2017 to receive notice of and to vote at the annual meeting or any adjournment or postponement of the annual meeting.

At the annual meeting, you will have an opportunity to ask questions about the Company and its operations. You may attend the annual meeting and vote your shares in person even if you vote by returning your proxy card. Your proxy may be revoked by sending in another signed proxy card with a later date, sending a letter revoking your proxy to the Company's General Counsel and Secretary in Nashville, TN, or attending the annual meeting and voting in person.

We look forward to seeing you. Thank you for your ongoing support of and interest in Surgery Partners, Inc.

By Order of the Board of Directors,

A handwritten signature in blue ink, appearing to read "M. Doyle", is positioned above the printed name of Michael T. Doyle.

Michael T. Doyle

Chief Executive Officer

Nashville, Tennessee

April 17, 2017

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SURGERY PARTNERS, INC.
40 Burton Hills Boulevard
Suite 500
Nashville, Tennessee 37215

PROXY STATEMENT

IMPORTANT INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why is the Company soliciting my proxy?

The Board of Directors (the "Board") of Surgery Partners, Inc. ("Surgery Partners," the "Company," "we" or "us") is soliciting your proxy to vote at the 2017 annual meeting of stockholders to be held at our corporate headquarters, located at 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee, 37215, on Tuesday, May 2, 2017, at 10:00 a.m. Central Daylight Time (CDT) and any adjournments of the annual meeting, which we refer to as the annual meeting. This Proxy Statement summarizes the purposes of the meeting and the information you need to know to vote at the annual meeting.

Why am I receiving these materials?

Our Board is providing these proxy materials to you through delivery of printed versions by mail in connection with our 2017 annual meeting of stockholders, which are scheduled to be sent to stockholders beginning April 17, 2017. Stockholders are invited to attend the annual meeting and are requested to vote on the proposals described in this Proxy Statement.

What is included in these materials?

These proxy materials include:

- our Proxy Statement for the annual meeting;
- our Proxy Card; and
- our 2016 Annual Report to Stockholders, which includes our Annual Report on Form 10-K (which is not part of the proxy soliciting materials), including our audited consolidated financial statements.

What information is contained in these materials?

The information included in this Proxy Statement relates to the proposals to be voted on at the annual meeting, the voting process, the compensation of certain of our executive officers and our directors and certain other required information.

What proposals will be voted on at the annual meeting?

There are four proposals scheduled to be voted on at the annual meeting:

- the election of the two Class II director nominees for a 3-year term (Proposal 1);
- the approval, on an advisory basis, of the compensation paid by the Company to its named executive officers (Proposal 2);
- the approval, on an advisory basis, of the frequency of future executive compensation advisory votes (Proposal 3); and
- the ratification of the Audit Committee's appointment of Ernst & Young, LLP as the Company's independent registered public accounting firm for fiscal 2017 (Proposal 4).

What is the Board's voting recommendation?

The Board recommends that you vote your shares "FOR" the two Class II nominees to the Board, "FOR" the approval, on an advisory basis, the compensation paid by the Company to its named executive officers, "ONE YEAR" for the approval, on an advisory basis, of the frequency of future executive compensation advisory votes, and "FOR" the ratification of the Audit Committee's appointment of Ernst & Young, LLP as the Company's independent registered public accounting firm.

Unless instructed to the contrary, shares represented by the proxies at the annual meeting will be voted "FOR" the election of the nominees to the Board, "FOR" the approval, on an advisory basis, the compensation paid by the Company to its named officers, "ONE YEAR" for the approval, on an advisory basis, of the frequency of future executive compensation advisory votes and "FOR" the ratification of the Audit Committee's appointment of Ernst & Young, LLP as the Company's independent registered public accounting firm.

What shares owned by me can be voted?

All shares owned by you as of the close of business on March 31, 2017 (the "Record Date") may be voted. You may cast one vote per share of common stock that you held on the Record Date. These include shares that are: (1) held directly in your name as the stockholder of record, and (2) held for you as the beneficial owner through a stockbroker, bank or other nominee. On the Record Date, Surgery Partners, Inc. had 48,782,362 shares of common stock issued and outstanding.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most stockholders of Surgery Partners, Inc. hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences between shares held of record and those owned beneficially.

Stockholder of Record

If your shares are registered directly in your name with the Company's transfer agent, Computershare Investor Services (a subsidiary of Computershare Trust Company, N.A.), you are considered the stockholder of record with respect to those shares, and the proxy materials are being sent directly to you. As the stockholder of record, you have the right to grant your voting proxy directly to the persons named as proxy holders, Michael T. Doyle, the Company's Chief Executive Officer, and Christopher Laitala, the Company's Chairman of the Board, or to vote in person at the annual meeting.

Beneficial Owner

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name," and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you are invited to attend the annual meeting. You also have the right to direct your broker on how to vote these shares. Your broker or nominee should have enclosed a voting instruction card for you to direct your broker or nominee how to vote your shares. However, shares held in "street name" may be voted in person by you only if you obtain a signed proxy from the record holder (stock brokerage, bank or other nominee) giving you the right to vote the shares.

How can I vote my shares in person at the annual meeting?

Shares held directly in your name as the stockholder of record may be voted in person at the annual meeting. If you choose to vote your shares in person at the annual meeting, please bring proof of ownership of the Company's common stock on the record date, such as the legal proxy, voting instruction card provided by your broker, bank or nominee, or a proxy card as well as proof of identification. Even if you plan to attend the annual meeting, the Company recommends that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the annual meeting.

How can I vote my shares without attending the annual meeting?

Whether you hold your shares directly as the stockholder of record or beneficially in "street name," you may direct your vote without attending the annual meeting by proxy. You can vote by proxy by mail via a proxy card, by marking your selections on the proxy card, date and sign your name exactly as it appears on the proxy card and mail the proxy card in the

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pre-paid envelope that will be provided to you. Mailed proxy cards must be received no later than May 1, 2017 in order to be counted for the annual meeting.

Please follow the instructions provided on the proxy card or voting instruction card. We urge you to review the proxy materials carefully before you vote.

Can I revoke my proxy or change my vote?

You may revoke your proxy or change your voting instructions prior to the vote at the annual meeting. You may enter a new vote by mailing a new proxy card or new voting instruction card bearing a later date (which will automatically revoke your earlier voting instructions). Your new vote must be received by 11:59 p.m. CDT on May 1, 2017. You may also enter a new vote by attending the annual meeting and voting in person. Your attendance at the annual meeting in person will not cause your previously granted proxy to be revoked unless you specifically so request.

How are votes counted?

In the election of the director nominee (Proposal 1), your vote may be cast "FOR" the nominee, or you may "WITHHOLD" from voting. Shares voting "WITHHOLD" have no effect on the election of directors.

For Proposal 2, your vote may be cast "FOR" or "AGAINST" or you may "ABSTAIN." If you "ABSTAIN" on this proposal, it has no effect on the outcome.

For Proposal 3, your vote may be cast for "1 YEAR," "2 YEARS," or "3 YEARS" or you may "ABSTAIN." If you "ABSTAIN" on this proposal, it has no effect on the outcome.

For Proposal 4, your vote may be cast "FOR" or "AGAINST" or you may "ABSTAIN." If you "ABSTAIN" on this proposal, it has no effect on the outcome.

If you sign your proxy card or broker voting instruction card with no further instructions, your shares will be voted as described below in "Abstentions and Broker Non-Votes."

Abstentions and Broker Non-Votes

Any shares represented by proxies that are marked to "ABSTAIN" from voting on a proposal will be counted as present in determining whether we have a quorum. They will also be counted in determining the total number of shares entitled to vote on a proposal. Abstentions will not be counted as votes "FOR" or "AGAINST" any proposal, and accordingly are not counted for purposes of determining the number of votes cast on any proposal.

If your shares are held in "street name" and you do not instruct your broker on how to vote your shares, your broker, in its discretion, may either leave your shares unvoted or, on routine matters may use their discretionary authority to vote your shares. If your broker returns a proxy card but does not vote your shares, this results in a "broker non-vote." Broker non-votes will not be counted as votes "FOR" or "AGAINST" any proposal, and accordingly are not counted for purposes of determining the number of votes cast on any proposal. Therefore, broker non-votes will have no effect on the outcome of any proposal. However, broker non-votes with respect to any proposal will be treated as shares present for purposes of determining a quorum at the annual meeting.

Proposal 1 (election of the two Class II director nominees), Proposal 2 (approval, on an advisory basis, of the compensation paid by the Company to its named executive officers) and Proposal 3 (approval, on an advisory basis, of the frequency of future executive compensation advisory votes) are all considered non-routine matters, and without your instruction, your broker cannot vote your shares. Proposal 4 (ratifying the appointment of our independent registered public accounting firm) is considered a routine matter for which your broker has discretionary authority to vote your shares.

What is the voting requirement to approve each of the proposals?

Proposal 1, Election of Director Nominees: Under our plurality voting standard, the two nominees for director who receive the most votes will be elected. Therefore, if you do not vote for the nominee, or you "withhold" your vote for a nominee, your vote will not count either "for" or "against" the nominee. Abstentions and broker non-votes will have no effect on the outcome of voting for directors.

Proposal 2, Advisory Vote on Executive Compensation: Under our majority voting standard, the approval, on an advisory basis, of the compensation paid by the Company to its named executive officers requires that the number of votes properly

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cast “FOR” the proposal (and present, in person or by proxy, at the annual meeting) exceed the number of votes cast “AGAINST” the proposal. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

Proposal 3, Advisory Vote on Frequency of Future Executive Compensation Advisory Votes: The approval, on an advisory basis, of the frequency of future executive compensation advisory votes will be determined by the selection which receives the highest number of votes. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

Proposal 4, Ratification of Appointment of Independent Registered Public Accounting Firm: Under our majority voting standard, the ratification of the appointment of Ernst & Young, LLP as our independent registered public accounting firm for fiscal 2017 requires that the number of votes properly cast “FOR” the proposal (and present, in person or by proxy, at the annual meeting) exceed the number of votes cast “AGAINST” the proposal. Abstentions will have no effect on the outcome of this Proposal 4. Brokers, banks and other nominees have discretionary voting power with respect to this proposal, and therefore we do not expect broker non-votes with respect to this proposal.

What does it mean if I receive more than one proxy or voting instruction card?

It means your shares are registered differently or are in more than one account. For each proxy you receive, please submit your vote for each control number you have been assigned. Please provide voting instructions for all proxy and voting instruction cards you receive.

Where can I find the voting results of the annual meeting?

We will announce preliminary voting results at the annual meeting and publish preliminary, or final results if available, in a Current Report on Form 8-K within four business days of the annual meeting. If final results are unavailable at the time we file the Form 8-K, then we will file an amended report on Form 8-K to disclose the final voting results within four business days after the final voting results are known.

What happens if additional proposals are presented at the annual meeting?

Other than the four proposals described in this Proxy Statement, we do not expect any matters to be presented for a vote at the annual meeting. If you grant a proxy, the persons named as proxy holders, Michael T. Doyle, our Chief Executive Officer, and Christopher Laitala, our Chairman of the Board, will have the discretion to vote your shares on any additional matters properly presented for a vote at the annual meeting. If for any unforeseen reason, either of the Company’s nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate(s) as may be nominated by the Board.

What is the quorum requirement for the annual meeting?

The quorum requirement for holding the annual meeting and transacting business is a majority of the voting power of the outstanding shares entitled to be voted and present at the meeting. The shares may be present in person or represented by proxy at the annual meeting. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. Broker non-votes, however, are not counted as shares present and entitled to be voted with respect to the particular matter on which the broker has expressly not voted. Thus, broker non-votes will not affect the outcome of any of the matters being voted on at the annual meeting. Generally, broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because (1) the broker has not received voting instructions from the beneficial owner and (2) the broker lacks discretionary voting power to vote such shares.

Who will count the vote?

A representative of Computershare Investor Services will act as the inspector of election and the tabulator of the votes for bank, broker and other stockholder of record proxies.

Is my vote confidential?

Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Surgery Partners, Inc. or to third parties except (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote and (3) to facilitate a successful proxy solicitation by the Board.

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Additionally, we will forward to management any written comments you provide on a proxy card or through other means.

Who will bear the cost of soliciting proxies for the annual meeting?

Surgery Partners, Inc. will pay the entire cost of soliciting proxies for the annual meeting, including the distribution of proxy materials. We have retained Computershare Investor Services to assist us with the distribution of the proxies and will pay their expenses. We will also reimburse brokers or nominees for the expenses that they incur for forwarding the proxies and any other proxy materials to their customers.

May I propose actions for consideration at next year's annual meeting of stockholders or nominate individuals to serve as directors?

You may submit proposals, including director nominations, for consideration at future annual stockholder meetings.

Stockholder Proposals: In order for a proposal by a stockholder of the Company to be eligible to be included in the Company's proxy statement for the 2018 annual meeting of stockholders pursuant to the proposal process mandated by SEC rules, the proposal must be received by the Company on or before December 15, 2017 and must comply with the informational and other requirements set forth in Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Under our Bylaws, and as permitted by SEC rules, certain procedures are provided that a stockholder must follow to nominate persons for election as directors or to introduce an item of business at an annual meeting of stockholders. These procedures provide that nominations for director nominees and/or an item of business to be introduced at an annual meeting of stockholders must be submitted in writing to the General Counsel and Secretary of Surgery Partners, Inc. at our principal executive office. We must receive the notice of your intention to introduce a nomination or proposed item of business at our 2018 annual meeting of stockholders no earlier than January 2, 2018, and no later than February 1, 2018.

If, however, the date of our 2017 annual meeting of stockholders is more than 30 days before or after the anniversary date of the annual meeting, we must receive notice on or before ten days after the day on which the date of our 2017 annual meeting of stockholders is first disclosed in a public announcement. You may contact our General Counsel and Secretary at our principal executive office for a copy of the relevant Bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

How do I obtain a separate set of proxy materials if I share an address with other stockholders?

To reduce expenses, in some cases, we are delivering one set of the proxy materials to certain stockholders who share an address, unless otherwise requested by one or more of the stockholders. A separate proxy card will be included with the proxy materials for each stockholder. If you have only received one set of the proxy materials, you may request separate copies at no additional cost to you by calling us at (615) 234-5900 or by writing to us at Surgery Partners, Inc., 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee 37215, Attn: General Counsel and Secretary.

You may also request separate paper proxy materials for future annual meetings by following the instructions for requesting such materials in the materials, or by contacting us by calling or writing.

If I share an address with other stockholders of Surgery Partners, Inc., how can we get only one set of voting materials for future meetings?

You may request that we send you and the other stockholders who share an address with you only one set of proxy materials by calling us at (615) 234-5900 or by writing to us at Surgery Partners, Inc., 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee 37215, Attn: General Counsel and Secretary.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information relating to the beneficial ownership of our common stock as of March 31, 2017, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock;
- each of our named executive officers;
- each of our directors; and
- all executive officers and directors as a group.

Beneficial ownership is determined in accordance with SEC rules. In general, under these rules a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power or investment power with respect to such security. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 48,782,362 shares of our common stock outstanding as of March 31, 2017. Shares of our common stock that a person has the right to acquire within 60 days of March 31, 2017 are deemed outstanding for purposes of computing the percentage ownership of such person’s holdings, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated below, the address for each beneficial owner listed is c/o Surgery Partners, Inc., 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee 37215.

Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percentage of Common Stock Beneficially Owned
Beneficial owners of 5% or more of our common stock:		
H.I.G. Surgery Centers, LLC ⁽¹⁾	26,455,651	54.2%
Directors and Named Executive Officers:		
Michael T. Doyle ⁽²⁾	3,161,760	6.5%
Teresa F. Sparks	193,376	*
John Crysel	113,939	*
Jennifer Baldock	77,739	*
Dennis Dean	113,895	*
Christopher Laitala	3,580	*
Teresa DeLuca	—	—
Adam Feinstein	1,491	*
Matthew I. Lozow ⁽³⁾	—	—
Brent Turner	1,338	*
All executive officers and directors as a group (10 persons)	3,667,118	7.5%

* Represents beneficial ownership of less than 1% of the shares of common stock.

⁽¹⁾ H.I.G. Surgery Centers, LLC, an affiliate of H.I.G. Capital, LLC (“H.I.G.”), holds 26,455,651 shares. The principal business address of H.I.G. Surgery Centers, LLC is c/o H.I.G. Capital, LLC, 1450 Brickell Avenue, 31st Floor, Miami, Florida 33131.

⁽²⁾ A portion of Mr. Doyle’s shares of common stock of Surgery Partners, Inc. is held in trust for the benefit of his immediate family.

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⁽³⁾Matthew I. Lozow, who is a director on our board, is affiliated with H.I.G. Capital, LLC. He does not have voting or investment power over and disclaims beneficial ownership of the shares of common stock held by H.I.G. Capital, LLC. His address is c/o H.I.G. Capital, LLC, 600 Fifth Avenue, New York, New York 10020.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by regulation of the SEC to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms or written representations from certain reporting persons received by us with respect to fiscal year 2016, we believe that our executive officers and directors and persons who own more than 10% of a registered class of our equity securities have complied with all applicable filing requirements with respect to fiscal year 2016.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

In accordance with the Company's certificate of incorporation and Bylaws, the Board is divided into three classes of approximately equal size. The members of each class are elected to serve a three-year term with the term of office of each class ending in successive years. Matthew Lozow and Brent Turner are Class II directors whose terms expire at the Company's 2017 annual meeting of stockholders. Each of Mr. Lozow and Mr. Turner have been nominated for and have agreed to stand for re-election to the Board to serve as a Class II director of the Company for three years and until his successor is duly elected and qualified or until his death, resignation or removal, whichever is earliest to occur.

The two nominees for director with the highest number of affirmative votes will be elected as Class II directors. Unless you otherwise instruct, proxies will be voted for election of both nominees listed above as director nominees. The Company has no reason to believe that any nominee will be unable to serve, but in the event that a nominee is unwilling or unable to serve as a director and the Board does not, in that event, choose to reduce the size of the Board, the persons voting the proxy may vote for the election of another person in accordance with their judgment.

The Board unanimously recommends that you vote FOR both nominees for Class II directors and proxies solicited by the Board will be voted in favor thereof unless a stockholder has indicated otherwise on the proxy.

Directors Standing for Election

Information concerning our directors is set forth below. The biographical description of each director includes the specific experience, qualifications, attributes and skills that the board of directors would expect to consider if it were making a conclusion currently as to whether such person should serve as a director.

Matthew I. Lozow has served as Director of Surgery Center Holdings, Inc. since 2014 and as Director of Surgery Partners, Inc. since April 2015. Mr. Lozow joined H.I.G. Capital in 2009 and is now a Managing Director in the New York office. Prior to joining H.I.G., Mr. Lozow worked with private equity firms including Audax Private Equity and began his career as a consultant with Bain & Company. Mr. Lozow holds a B.S. in Engineering from M.I.T. and an M.B.A. from The Wharton School of the University of Pennsylvania.

Brent Turner has served as Director of Surgery Partners, Inc. since December 2015. Mr. Turner is currently the President of Acadia Healthcare Company Inc (NASDAQ: ACHC), and has served as the President since joining Acadia in 2011. Prior to joining Acadia, Mr. Turner served as the Executive Vice President of Finance and Administration of Psychiatric Solutions, Inc. Mr. Turner serves on the Board of Directors of LHC Group, Inc. (NASDAQ: LHCG) and the National Association of Psychiatric Health Systems (NAPHS). Mr. Turner holds a B.A. in Economics from Vanderbilt University and an M.B.A. from the Vanderbilt Owen Graduate School of Management.

Directors Continuing in Office

Class III Directors. The following directors have terms ending in 2018:

Christopher Laitala has served as Director of Surgery Center Holdings, Inc. since 2009, Director of Surgery Partners, Inc. since April 2015 and Chairman since August 2015. Mr. Laitala joined Lindsay Goldberg as a Partner in their New York office in 2016. Prior to joining Lindsay Goldberg, Mr. Laitala served as the Managing Director of H.I.G. Capital in their New York office, which he joined in 2002, where he led investments in a number of industries including healthcare. Prior to joining H.I.G., Mr. Laitala worked with private equity firms including J.H. Whitney & Co. and Great Point Partners, LLC. Mr. Laitala holds an A.B. in Government from Harvard University and an M.B.A. from Harvard Business School.

Michael T. Doyle has served as the Chief Executive Officer and Director of Surgery Center Holdings, Inc. since 2009, Chief Executive Officer of Surgery Partners, Inc. since April 2015 and Director of Surgery Partners, Inc. since August 2015. He has been with the Company since 2004, previously as President and Chief Operating Officer. Prior to that, Mr. Doyle worked at HealthSouth, Corporation, a large healthcare organization, for nine years where he held a variety of leadership positions and left as Senior Vice President of Operations. Mr. Doyle holds a B.S. in Physiotherapy from Dalhousie University in Halifax, Nova Scotia and an M.B.A. from Troy State University.

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Class I Directors. The following directors have terms ending in 2019:

Teresa DeLuca, M.D. has served as Director of Surgery Partners, Inc. since September 2016. Dr. DeLuca is an Assistant Clinical professor of psychiatry at the Icahn School of Medicine at Mount Sinai in New York City and serves on the editorial board of the American Health & Drug Benefit Journal. She was previously the Chief Medical Officer of Magellan Pharmacy Solutions at Magellan Health, SVP of Pharmacy Health Solutions at Humana, VP of Clinical Sales Solutions & National Medical Director at Walgreen Co., and VP of Personalized Medicine as well as VP of Medical Policy & Clinical Quality at Medco. Prior to taking on these executive leadership roles, Dr. DeLuca was a Senior Director of Global Product Development Services at PRA International and a Senior Medical Scientist at GlaxoSmithKline. Dr. DeLuca received her M.B.A. from Drexel University and her residency (M.D.) from Jefferson Medical College of Thomas Jefferson University.

Adam Feinstein has served as Director of Surgery Partners, Inc. since August 2015. Mr. Feinstein co-founded Vesey Street Capital Partners, L.L.C., a healthcare services private equity fund, in 2014 and has been a Managing Partner since that time. From 2012 to 2014, Mr. Feinstein served as the Senior Vice President of Corporate Development, Strategic Planning and Office of the CEO at LabCorp and prior to that served as a Managing Director in Equity Research at Barclays Capital. He is a board member at ScribeAmerica, the nation's leading provider of medical scribes, and Imedex, a leading provider of accredited medical education. Mr. Feinstein is a CFA charterholder and has a B.S. in Business from the Smith School at the University of Maryland at College Park. He also completed the Nashville Healthcare Council Fellows program.

CORPORATE GOVERNANCE

Our Board currently consists of six directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The division of the three classes and their respective election dates are as follows:

- the Class I director's term will expire at the annual meeting of stockholders to be held in 2019.
- the Class II director's term will expire at the annual meeting of stockholders to be held in 2017.
- the Class III directors' term will expire at the annual meeting of stockholders to be held in 2018.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our Board into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Our amended and restated certificate of incorporation provides that the size of the Board shall be fixed from time to time by a majority vote of the Board, with a maximum of 15 members, provided that, prior to the date H.I.G. (through one or more of its affiliates) ceases to beneficially own 50% or more of our common stock, the size of the Board will be determined by the affirmative vote of holders of a majority of our common stock. Directors will (except for the filling of vacancies and newly created directorships) be elected by the holders of a plurality of the votes properly cast by the holders of shares present in person or represented by proxy at the meeting and entitled to vote on the election of such directors.

The following table sets forth the name, age (as of March 31, 2017) and position of individuals who currently serve as the directors of Surgery Partners, Inc.

Name	Age	Position
Matthew I. Lozow	39	Class II Director
Brent Turner	51	Class II Director
Christopher Laitala	44	Class III Director, Chairman
Michael T. Doyle	44	Class III Director, Chief Executive Officer
Teresa DeLuca, M.D.	51	Class I Director
Adam Feinstein	45	Class I Director

Director Independence

The listing standards of The NASDAQ Stock Market LLC ("NASDAQ") generally require that listed companies have a majority of independent directors, that compensation committees of listed companies be comprised entirely of independent directors and that nominating committees of listed companies be comprised entirely of independent directors. We are "controlled company" under NASDAQ corporate governance standards as an affiliate of H.I.G. owns more than 50% of the total outstanding voting power of our common stock. As a "controlled company," we may elect to not comply with certain governance requirements, including the requirements to (i) have a majority of independent directors, (ii) maintain a compensation committee composed entirely of independent directors and (iii) maintain a corporate governance and nominating committee composed of independent directors or have the responsibilities that would otherwise be undertaken by a corporate governance and nominating committee undertaken solely by the independent directors of the board of directors. We currently avail ourselves of certain available exemptions. Accordingly, our stockholders will not have the same protection afforded to stockholders of companies that are subject to all of NASDAQ corporate governance requirements and the ability of our independent directors to influence our business policies and affairs may be reduced. When we cease to be a controlled company, we will be required to comply with these provisions within the transition periods specified in NASDAQ rules.

The Board has reviewed the independence of our directors based on the corporate governance standards of NASDAQ. Based on this review, the Board determined that each of Matthew I. Lozow, Brent Turner, Christopher Laitala, Teresa DeLuca and Adam Feinstein is independent within the meaning of the corporate governance standards of NASDAQ. In making this determination, our Board considered the relationships that each of these non-employee directors has with the Company and all other facts and circumstances our Board deemed relevant in determining their independence, including the beneficial ownership of our capital stock held by each non-employee director. As required under applicable NASDAQ rules, our independent directors will meet in regularly scheduled executive sessions at which only independent directors are present.

These exemptions do not modify the independence requirements for our Audit Committee, and we comply with the applicable requirements of the Sarbanes-Oxley Act and NASDAQ rules with respect to our Audit Committee. See "Committees of the Board -- Audit Committee."

Board Leadership Structure

Prior to the date on which affiliates of H.I.G. cease to beneficially own at least a majority of our then outstanding common stock, the size of our Board, and vacancies on our Board, will each be determined by the affirmative vote of at least a majority of our then outstanding common stock. Following such date, the size of our Board will be determined by the affirmative vote of a majority of our Board and vacancies will be filled by the affirmative vote of our Board, provided that, any vacancy created by the removal of a director by the stockholders for cause shall only be filled, in addition to any other vote otherwise required by law, by affirmative vote of a majority of our then outstanding common stock. The term of office for each director will be until his or her successor is elected at our annual meeting or his or her death, resignation or removal, whichever is earliest to occur. Stockholders will elect directors each year at our annual meeting.

Our Bylaws provide maximum flexibility to the Board in choosing a Chairman of the Board and a Chief Executive Officer. The Bylaws provide that such offices may be held by different people or the same person, as determined by the Board. This flexibility allows the Board to determine whether it is in the best interest of the Company and our stockholders to combine the roles of Chief Executive Officer and Chairman of the Board in the same person. Christopher Laitala, an independent director, was elected by our pre-initial public offering stockholder to serve as the Chairman of the Board.

Selection of New Directors

The Board is responsible for selecting its own members for election by the stockholders with direct input from the Chief Executive Officer. It is the policy of the Board that directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the Company's stakeholders. It is also the policy of the Board that the composition of the Board at all times adhere to the standards of independence promulgated by the NASDAQ and as further clarified above under "Director Independence." The Board believes that each director should possess a combination of skills, professional experience and diversity of viewpoints necessary to oversee the Company's business. In addition, it believes that there are certain attributes that every director should possess, as reflected in its membership criteria. Accordingly, the Board considers the qualifications of directors and director candidates individually and in the broader context of its overall composition and the Company's current and future needs. Among other things, the Board has determined that it is important to have directors with the following skills and experiences: leadership experience, as directors with experience in significant leadership positions possess strong abilities to motivate and manage others and to identify and develop leadership qualities in others; knowledge of the Company's industry, particularly physician and patient relations, which is relevant to understanding the Company's business and strategy; operations experience, as it gives directors a practical understanding of developing, implementing and assessing the Company's business strategy and operating plan; risk management experience, which is relevant to oversight of the risks facing the Company's business; financial/accounting experience, particularly knowledge of finance and financial reporting processes, which is relevant to understanding and evaluating the Company's capital structure, financial statements and reporting requirements; and strategic planning experience, which is relevant to the Board's review of the Company's strategies and monitoring their implementation and results.

The Board also requires that each director be able to dedicate sufficient time to ensure the diligent performance of his or her duties on the Company's behalf, including attending all Board and applicable committee meetings. In general, the Board does not have a policy limiting the number of other public company boards of directors upon which a director may sit. However, the Board shall consider the number of other boards of directors (or comparable governing bodies), particularly with respect to public companies, on which a prospective nominee is a member. Although the Board does not impose a limit on outside directorships, it does recognize the substantial time commitments attendant to membership on the Board and expects that directors devote all such time as is necessary to fulfill their accompanying responsibilities, both in terms of preparation for, and attendance and participation at, meetings.

Board Meeting Attendance

Under our Corporate Governance Guidelines, directors are expected to use their reasonable best efforts to attend all or substantially all Board meetings and meetings of the committees of the Board on which they serve, as well as annual meetings of stockholders. During 2016, there were four meetings of our Board, and the committees of the Board met a total of four times. No director attended fewer than 75% of the aggregate of (i) the total number of meetings of the Board and (ii) the total number of meetings of committees of the Board for the period during which the director served on the Board or such committee in 2016.

Board's Role in Risk Oversight

Our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. Our Board, primarily through its Audit Committee, oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance stockholder value.

Committees of the Board

We have an Audit Committee and a Compensation Committee with the composition and responsibilities described below. Each committee operates under a charter that is approved by our Board. The members of each committee are appointed by the Board and serve until their successor is elected and qualified, unless they are earlier removed or resign. In addition, from time to time, special committees may be established under the direction of the Board when necessary to address specific issues. Our Board has determined that Matthew I. Lozow, Brent Turner, Christopher Laitala, Teresa DeLuca and Adam Feinstein are independent directors under NASDAQ rules and Exchange Act rules.

Because we avail ourselves of certain exceptions applicable to “controlled companies” under NASDAQ listing rules, the responsibilities that would otherwise be undertaken by a nominating committee or solely by a majority of independent directors of the board of directors will be undertaken by the full board of directors, or, at its discretion, by a special committee established under the direction of the full board of directors. The controlled company exception does not modify the independence requirements for the audit committee and we comply with the audit committee requirements of the Sarbanes-Oxley Act and the rules of NASDAQ.

Audit Committee

We have a separately standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The purpose of the Audit Committee is set forth in the Audit Committee charter. The Audit Committee’s primary duties and responsibilities are to:

- Appoint or replace, compensate and oversee the outside auditors for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us. The outside auditors will report directly to the Audit Committee.
- Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for us by our outside auditors, subject to de minimis exceptions which are approved by the Audit Committee prior to the completion of the audit.
- Review and discuss with management and the outside auditors the annual audited and quarterly unaudited financial statements, our disclosures under the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the selection, application and disclosure of critical accounting policies and practices used in such financial statements.
- Review and approve all related party transactions as defined under Item 404(a) of Regulation S-K.
- Discuss with management and the outside auditors significant financial reporting issues and judgments made in connection with the preparation of our financial statements, including any significant changes in our selection or application of accounting principles, any major issues as to the adequacy of our internal controls and any special steps adopted in light of material control deficiencies.

The Audit Committee consists of Brent Turner, Teresa DeLuca and Adam Feinstein. Mr. Feinstein is both an independent director and an “audit committee financial expert” within the meaning of Item 407 of Regulation S-K, and serves as chair of the audit committee. In addition, Mr. Turner and Ms. DeLuca are also independent directors within the meaning of Item 407 of Regulation S-K. A copy of the Audit Committee charter, which satisfies the applicable standards of the SEC and NASDAQ, is available on the “Investors-Corporate Governance” page of our website at www.surgerypartners.com.

Compensation Committee

The purpose of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to oversight of the compensation of our directors, executive officers and other employees and the administration of our benefits and equity-based compensation programs. Our Board has adopted a written charter under which the Compensation Committee operates. A copy of the charter, which satisfies the applicable standards of the SEC and NASDAQ, is available on the “Investors-Corporate Governance” page of our website at www.surgerypartners.com. The Compensation Committee annually reviews and assesses the adequacy of its charter.

The Compensation Committee’s primary duties and responsibilities are to:

- Review and approve corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer (the “CEO”) and the officers of the Company who report directly to the CEO and all officers who are “insiders” subject to Section 16 of the Exchange Act (collectively, the “Senior Officers”), evaluate the performance of the CEO and other Senior Officers in light of those goals and objectives and, either as a committee or together with the other independent directors, determine and approve, or recommend to the Board for approval, the compensation levels for the CEO and other Senior Officers based on this evaluation, with the deliberations and voting on the CEO’s compensation to be conducted without the CEO present;
- Make recommendations to the Board about the compensation of the directors;
- Review and administer the Company’s equity-based compensation plans, management incentive compensation plans and deferred compensation plans and make recommendations to the Board about amendments to such plans and the adoption of any new compensation plans;
- Recommend to the Board any ownership guidelines for the Senior Officers, other executives and non-employee directors, and periodically assess these guidelines and recommend revisions as appropriate;
- Review and establish the Company’s overall management compensation and benefits philosophy and policies;
- Produce a Compensation Committee report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with Securities and Exchange Commission proxy and disclosure rules;
- Review and approve all Senior Officer employment contracts and other compensatory, severance and change-in-control arrangements for current and former Senior Officers;
- Establish and review periodically policies and procedures with respect to perquisites;
- Review the Company’s incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk;
- Review and assess the adequacy of the committee’s charter and submit any changes to the Board for approval on an annual basis;
- Maintain minutes of the committee’s meetings and report its actions and any recommendations to the Board on a periodic basis; and
- Annually perform, or participate in, an evaluation of the performance of the committee against the requirements of this Compensation Committee charter, the results of which shall be presented to the Board.

As long as we are a controlled company, we are not required by NASDAQ rules to maintain a compensation committee comprised of independent directors. Notwithstanding that, the Compensation Committee consists of Brent Turner (chair), Matthew I. Lozow, Christopher Laitala and Adam Feinstein, who are all independent under NASDAQ rules and Exchange Act rules.

Compensation Committee Interlocks and Insider Participation

All compensation and related matters are reviewed by our Compensation Committee. None of the members of our Compensation Committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or Compensation Committee. Our Chief Executive Officer has participated in discussions related to compensation of certain of our executive officers, but has not participated in any discussions regarding his own compensation. We have also retained a compensation consultant since our

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IPO to review the compensation of executive officers at peer group companies and assist in benchmarking appropriate compensation of our executive officers on a forward-looking basis.

Contacting the Board of Directors

Stockholders wishing to communicate with our Board may do so by writing to the Board or to the non-employee members of the Board as a group, at:

Surgery Partners, Inc.
40 Burton Hills Boulevard, Suite 500
Nashville, TN 37215
Attention: General Counsel and Secretary

The communication must prominently display the legend "BOARD COMMUNICATION" in order to indicate to the General Counsel and Secretary that it is a communication for the Board. Upon receiving such a communication, the General Counsel and Secretary will promptly forward the communication to the relevant individual or group to which it is addressed. Certain items that are unrelated to the Board's duties and responsibilities may be excluded, such as spam, junk mail and mass mailings, resumes and other forms of job inquiries, surveys and business solicitations or advertisements. The General Counsel and Secretary will not forward any communication determined in his or her good faith belief to be frivolous, unduly hostile, threatening, illegal or similarly unsuitable.

PROPOSAL NO. 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, the Board of Directors is asking stockholders to approve a non-binding, advisory resolution on the compensation of Surgery Partners' executive officers who are named in the Summary Compensation Table appearing in this proxy statement (our "named executive officers"). The compensation of our named executive officers is described in the "Compensation Discussion and Analysis" and "Executive Compensation" sections of this proxy statement.

The compensation program for our named executive officers is designed to attract and retain highly qualified individuals and to motivate and reward them for performance that benefits Surgery Partners and its stockholders. The Compensation Committee and the Board of Directors believe that the policies and procedures detailed in the "Compensation Discussion and Analysis" achieve these goals.

This advisory resolution, commonly referred to as a "Say-On-Pay" resolution, is non-binding on the Board of Directors. Although non-binding, the Board of Directors and the Compensation Committee value the views of Surgery Partners' stockholders and will review and consider the voting results when (i) evaluating the effectiveness of Surgery Partners' compensation policies and practices and (ii) making future compensation decisions for our named executive officers.

We are requesting your non-binding vote on the following resolution:

"RESOLVED, that the compensation of the Company's named executive officers as described in the "Compensation Discussion and Analysis," in the Summary Compensation Table and subsequent tables, is approved."

The Board of Directors recommends a vote "FOR" the approval of the advisory resolution on executive compensation.

EXECUTIVE OFFICERS

Name	Age	Position
Michael T. Doyle	44	Chief Executive Officer, Director
Teresa F. Sparks	48	Executive Vice President, Chief Financial Officer
Jennifer B. Baldock	46	Senior Vice President, General Counsel and Secretary
John Crysel	63	Group President of Surgery Partners' National Group
Dennis Dean	44	Senior Vice President, Corporate Controller

Executive Officer Biographies

Michael T. Doyle has served as the Chief Executive Officer and Director of Surgery Center Holdings, Inc. since 2009, Chief Executive Officer of Surgery Partners, Inc. since April 2015 and Director of Surgery Partners, Inc. since August 2015. He has been with the Company since 2004, previously as President and Chief Operating Officer. Prior to joining our Company, Mr. Doyle worked at HealthSouth, Corporation, a large healthcare organization, for nine years where he held a variety of leadership positions and left as Senior Vice President of Operations. Mr. Doyle holds a B.S. in Physiotherapy from Dalhousie University in Halifax, Nova Scotia and an M.B.A. from Troy State University.

Teresa F. Sparks has served as Executive Vice President and Chief Financial Officer of Surgery Center Holdings, Inc. since our acquisition of Symbion in November 2014, and as Executive Vice President and Chief Financial Officer of Surgery Partners, Inc. since April 2015. Ms. Sparks previously served as Senior Vice President and Chief Financial Officer of Symbion Holdings Corporation and Symbion, Inc. from August 2007 to November 2014 and as Corporate Controller from Symbion's inception in 1996 through August 2007 and was named Vice President in December 2002. Prior to joining Symbion, she served as Assistant Controller for HealthWise of America, Inc., a managed care organization. Prior to joining HealthWise of America, Inc., Ms. Sparks was a senior healthcare auditor for Deloitte & Touche LLP. Ms. Sparks is a Certified Public Accountant (inactive) and holds a B.S. in Accounting and Business Administration from Trevecca Nazarene University.

Jennifer B. Baldock has served as Senior Vice President, Secretary and General Counsel of Surgery Center Holdings, Inc. since our acquisition of Symbion in November 2014 and as Vice President, Secretary and General Counsel of Surgery Partners, Inc. since April 2015. Ms. Baldock previously served as General Counsel and Chief Compliance Officer of Symbion Holdings Corporation and Symbion, Inc. Prior to joining Symbion in 2010, she served as Assistant General Counsel for both Ambulatory Services of America and Renal Care Group. Prior to that, Ms. Baldock practiced law with Waller Lansden Dortch and Davis in Nashville, Tennessee, concentrating in corporate law with an emphasis on healthcare mergers and acquisitions. She is also a Certified Public Accountant (inactive). Ms. Baldock holds a Bachelor of Arts in Economics and Accounting from Lipscomb University and a Juris Doctor from the University of Alabama.

John Crysel has served as Group President of Surgery Partner's National Group since our acquisition of Symbion in November 2014. Mr. Crysel previously served as National Group President of Symbion. Prior to joining Symbion in 2011, he served in a variety of hospital management positions with Hospital Corporation of America and HealthTrust in addition to pursuing various healthcare investment interests. Mr. Crysel holds a B.S. in Business Administration from the University of Alabama and an MSHA from the University of Alabama at Birmingham.

Dennis Dean has served as Vice President and Corporate Controller of Surgery Center Holdings, Inc. since our acquisition of Symbion in November 2014 and as Senior Vice President and Corporate Controller of Surgery Partners, Inc. since April 2015. Mr. Dean previously served as Vice President and Corporate Controller of Symbion Holdings Corporation and Symbion, Inc. from January 2008 to November 2014. Prior to joining Symbion, he co-founded Resource Partners, LLC, a healthcare-focused financial consulting firm, and began his career at Deloitte & Touche LLP. He is also a Certified Public Accountant. Mr. Dean holds a B.S. in Accounting and an MAcc from Western Kentucky University.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (“CD&A”) is designed to provide an overview of our compensation philosophy and objectives, our compensation programs, and our decision making processes as they relate to our named executive officers for fiscal year 2016. This discussion is intended to, among other things, help our shareholders understand the detailed information provided in the compensation tables included in this proxy statement, and to put that information in the context of our overall compensation program for our named executive officers.

Our named executive officers for fiscal year 2016 are:

Michael T. Doyle	Chief Executive Officer
Teresa F. Sparks	Executive Vice President, Chief Financial Officer
Jennifer B. Baldock	Senior Vice President, General Counsel and Secretary
John Crysel	Group President of Surgery Partners’ National Group
Dennis Dean	Senior Vice President, Corporate Controller

Executive Summary

Our executive compensation program reflects the Company's commitment to pay for performance and to strongly align the interests of the Company's management with those of our shareholders. In addition, our executive compensation program is designed to encourage our executives to take actions that support the Company's short-term financial goals but which also ensure the Company's ability to sustain strong shareholder value creation over the long term, irrespective of annual performance variability.

Overview of Our Executive Compensation Objectives

Our long-term success is based on achieving key strategic, financial and operational goals each year. To drive achievement of and align focus with these goals, our executive compensation program is designed to:

- Attract, retain and motivate talented executives with significant industry knowledge and the experience and leadership capability necessary for our corporate success.
- Align the interests of our named executive officers with those of our shareholders by delivering a substantial portion of each officer’s compensation through incentives that drive long-term enterprise value.
- Provide a strong link between pay and performance by weighting total direct compensation toward performance-based incentive compensation that promotes achievement of short-term performance with annual cash incentive awards and supports long-term business objectives with performance-based stock grants.

Compensation Policies and Practices.

We maintain the following compensation policies and practices that reflect our pay-for-performance philosophy and support long-term shareholder value:

- *Well-Balanced Compensation Program.* The structure of our executive compensation program includes a balanced mix of cash and equity compensation with a strong emphasis on performance-based and at-risk compensation.
- *Capped Annual Incentive Award Opportunities.* Our named executive officers’ incentive award opportunities are capped and the value of their incentive awards is determined by performance with respect to performance metrics that promote long-term shareholder value.
- *Performance-based long-term incentives.* To align pay with performance, 50% of our long-term incentive awards are based on key financial performance objectives.
- *Multi-Year Vesting Periods.* To enhance retention and alignment with shareholders’ interests, our long-term incentive awards are comprised of time-based and performance-based equity awards that vest over a three-year period.
- *Independent Decision Makers.* Our Compensation Committee is comprised solely of independent directors and works closely with an independent compensation consultant to monitor trends and best practices in executive compensation and make appropriate adjustments to our program to promote alignment with the interests of our shareholders.

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- *Competitive Compensation Program and Practices.* The competitiveness of our executive compensation program is assessed by comparison to a group of peer companies that are comparable to us based on a variety of factors, including industry, revenue and market capitalization.
- *Double-Trigger Change of Control Benefits.* All equity grants are subject to “double-trigger” vesting in connection with a change of control (i.e. awards do not vest solely upon a change of control and require a qualifying termination of employment following the change of control).
- *Limited Perquisites.* We provide our named executive officers with limited perquisites that are narrowly tailored to enhance our retention of talent over the long term.

Compensation Framework: Policies and Process

Role of the Compensation Committee in Compensation Decisions

Our Compensation Committee oversees our total compensation philosophy, compensation programs, equity incentive programs and benefit plans, and is responsible for reviewing and approving, or recommending that the Board approve, all components of our executive compensation program. New executive compensation plans and programs must be approved by the full Board based on recommendations made by our Compensation Committee. Our Compensation Committee reviews and recommends the compensation of our Chief Executive Officer, and our independent directors, acting as a group, approve the amounts to be awarded to him. After considering the assessment and recommendation of the Chief Executive Officer, our Compensation Committee determines and approves the compensation of all other named executive officers.

Role of the Independent Compensation Consultant

Since October 2015, our Compensation Committee has retained Frederic W. Cook & Co., Inc. (“FW Cook”), an independent compensation consulting firm, to provide advice on executive compensation matters, including the types and levels of executive compensation and the competitiveness of our compensation programs as compared to our competitors for executive talent. FW Cook reports directly to our Compensation Committee and interacts with management at the Compensation Committee’s direction. Our Compensation Committee and its chairperson have regular opportunities to meet with FW Cook in executive sessions without management present. The Compensation Committee considered the independence of FW Cook in light of current SEC rules and NASDAQ listing standards and concluded that no conflict of interest exists that would prevent FW Cook from independently advising the Compensation Committee.

Role of our Chief Executive Officer

Our Chief Executive Officer annually reviews the performance of the other named executive officers, after which the Chief Executive Officer presents his conclusions and recommendations to the Compensation Committee for approval. Our Compensation Committee has absolute discretion as to whether it approves the recommendations of the Chief Executive Officer or makes adjustments, as it deems appropriate. The Chief Executive Officer may also work with the Compensation Committee to gather and compile data needed for benchmarking purposes or for other analysis conducted by the Compensation Committee’s independent consultants and advisors.

Benchmarking

Our Compensation Committee reviews competitive data for comparable executive positions in the market. External market data is used by the Compensation Committee as a point of reference in its executive pay decisions in conjunction with financial and individual performance data. In considering the competitive environment, the Compensation Committee reviews compensation information disclosed by a peer group of comparatively sized companies with which we compete for business and executive talent and information derived from published survey data that compares the elements of each executive officer’s target total direct compensation to the market information for executives with similar roles. The Compensation Committee’s independent compensation consultant compiles this information for the Compensation Committee and size-adjusts the published survey data to reflect our asset size in relation to the survey participants to more accurately reflect the scope of responsibility for each executive officer.

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The Compensation Committee, with input from its independent compensation consultant, annually reviews and selects the peer companies, which generally consist of publicly-traded healthcare companies. For 2016, the peer companies were selected primarily based upon the following criteria: (i) similar business operations/industry/competitors for investor capital, (ii) sales and market capitalization between approximately 1/3 and 3 times our sales and market capitalization, and (iii) competitors for executive talent. In 2016, our peer group consisted of the following 12 companies:

Adeptus Health Inc.	Envision Healthcare Corporation	Surgical Care Affiliates, Inc.
Alliance Healthcare Services, Inc.	Hanger, Inc.	The Ensign Group, Inc.
Amedisys, Inc.	HealthSouth Corporation	Tivity Health, Inc.
Diversicare Healthcare Services, Inc.	IPC Healthcare, Inc.	U.S. Physical Therapy, Inc.

Overview of 2016 Company Performance

We believe that our named executive officers were instrumental in helping us drive results in 2016 and in assessing our competitive position and shaping a plan that will best position ourselves for continued growth in 2017 and beyond. Key performance highlights include:

- Revenues increased 19.3% over 2015 to \$1.1 billion
- Same-facility revenues increased 12.2% over 2015 to \$1.1 billion
- Net income attributable to Surgery Partners increased to \$9.5 million from \$1.4 million in 2015
- Adjusted EBITDA increased 13.4% over 2015 to \$179.3 million
- Diluted net income per share of \$0.20 compared to \$0.04 for 2015.

Elements of Named Executive Officer Compensation

The following is a discussion of the primary elements of compensation for each of our named executive officers, which consisted of the following:

Element	Description	Primary Objectives
Base Salary	<ul style="list-style-type: none"> • Fixed cash payments paid over the fiscal year 	<ul style="list-style-type: none"> • Attract and retain key talent • Provide competitive compensation • Recognize experience and performance
Short-Term Incentives	<ul style="list-style-type: none"> • Performance-based annual cash incentives 	<ul style="list-style-type: none"> • Promote and reward achievement of the Company's annual financial and strategic objectives
Long-Term Incentives	<ul style="list-style-type: none"> • Restricted stock • Performance restricted stock units 	<ul style="list-style-type: none"> • Used to retain and motivate senior management • Tie value earned to achievement of the Company's long-term goals
Retirement and Welfare Benefits	<ul style="list-style-type: none"> • 401(k) Plan • Supplemental Executive Retirement Plan • Medical, dental, vision, life insurance and disability insurance 	<ul style="list-style-type: none"> • Provide tax-efficient retirement savings • Provide tax-efficient opportunity to supplement retirement savings • Provide competitive health and welfare benefits
Perquisites	<ul style="list-style-type: none"> • Commuting expense reimbursements and cell phone allowance 	<ul style="list-style-type: none"> • Provide competitive ancillary benefits
Severance Benefits	<ul style="list-style-type: none"> • Cash and non-cash payments and benefits upon a qualifying termination of employment 	<ul style="list-style-type: none"> • Provide a level of protection in the event of an involuntary termination of employment

The Compensation Committee does not have a pre-established policy for the allocation between fixed compensation, such as base salary, and variable or "at risk" compensation, such as short-term cash and equity incentives. However, our Compensation

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Committee places a significant portion of total direct compensation for the named executive officers at risk. At risk compensation under the Company's cash incentive plans incentivizes our named executive officers to reach or exceed desired financial operating goals. Moreover, at risk compensation under the Company's equity incentive plans incentivizes our named executive officers because the full benefit of equity-based compensation cannot be realized unless our named executive officers are able to grow the value of our stock over several years.

Base salary

It is the Company's philosophy that employees be paid a base salary that is competitive with the salaries paid by comparable organizations based on each employee's experience, performance and any other unique factors or qualifications. Generally, the Company has chosen to position cash compensation in a range around market median levels in order to remain competitive in attracting and retaining executive talent. FW Cook provides the Compensation Committee with benchmarking data, and our named executive officers are provided with a base salary within the market benchmarked range based on their unique situation. Actual base salaries paid vary within a range based on performance over time. The allocation of total cash compensation between base salary and annual bonus or incentives is based on a variety of factors. In addition to the market positioning of the base salary and the mix of total compensation, our Compensation Committee also takes into consideration the following:

- the executive's performance;
- the performance of the Company;
- the performance of the individual business or corporate function for which the executive is responsible;
- the nature and importance of the position and role within the Company;
- the scope of the executive's responsibility; and
- the current compensation package in place for the executive, including the executive's current annual salary and potential bonus awards under the Company's bonus plan.

The chart below provides the base salary for each of our named executive officers for fiscal 2016, and a comparison against their base salaries for fiscal 2015.

Named Executive Officer	FY 2015 Base Salary	FY 2016 Base Salary	Percentage Increase
Michael T. Doyle	\$ 442,308	\$ 450,000	2%
Teresa F. Sparks	335,000	365,978	9%
Jennifer B. Baldock ⁽¹⁾	N/A	271,809	N/A
John Crysel	325,000	328,373	1%
Dennis Dean ⁽¹⁾	N/A	265,965	N/A

⁽¹⁾ Ms. Baldock and Mr. Dean became named executive officers during 2016; therefore, in accordance with SEC rules, only the executive's compensation for 2016 is provided herein.

Short-term incentive awards

The Company maintains an annual cash incentive plan under which our Compensation Committee determines annual bonuses for the Company's key employees, including our named executive officers, based on achievement of pre-established annual financial operating and performance goals. Each of our named executive officers (other than Mr. Doyle) has a target cash incentive percentage of base salary, based on their respective levels of management responsibility. Mr. Doyle is eligible to earn an annual cash bonus of up to \$350,000. For 2016, the target cash incentive amounts for each of our named executive officers (other than Mr. Doyle) as a percentage of base salary were as follows:

Named Executive Officer	Target Cash Incentive (as % of salary)
Teresa F. Sparks	50%
Jennifer B. Baldock	40%
John Crysel	50%
Dennis Dean	30%

Annual incentive cash payouts reflect the extent to which annual targets for performance goals are met or exceeded. Targets for performance goals are set with the intent that achievement will ultimately result in enhancement to shareholder value. When determining the targets, our Compensation Committee considers past financial performance of the Company and its internal

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estimates of the current-year planned financial performance. Growth expectations as well as improved profitability and operating efficiencies are the gauge by which meaningful targets are set and executive performance is measured.

Our Compensation Committee uses two performance levels when setting cash incentive targets: threshold and target. The performance levels are set relative to the prior fiscal year's actual results and current fiscal year projections. In setting the performance levels for the year, our Compensation Committee seeks to motivate management to achieve or exceed the target level of performance, which is intended to be a stretch target. The threshold performance level is the minimum performance level required for any cash incentive payout under our annual cash incentive plan.

For 2016, the primary financial goal for purposes of determining the cash incentive award payable to all of our named executive officers was based on Adjusted EBITDA. One hundred percent of the annual cash incentive awards payable to our named executive officers (other than Mr. Crysel) are based on achievement of Adjusted EBITDA targets established by our Compensation Committee (as described below). Mr. Crysel's cash incentive award is based fifty percent (50%) on these Adjusted EBITDA targets, and based fifty percent (50%) on EBITDA targets that relate solely to his business unit (as described below) ("Business Unit EBITDA"). Our Compensation Committee established the following Adjusted EBITDA performance scale, along with the range of cash incentive award payouts based on achieving the performance goals.

	Threshold	Target	Actual
Adjusted EBITDA (in millions)	\$184.5	\$192.2	\$179.3
Payout	50%	100%	0%

If the target level of Adjusted EBITDA of \$192.2 million was achieved, our Compensation Committee would have awarded a target bonus amount to our named executive officers based on the targeted percentage of his or her base salary as referenced above. If the threshold level of Adjusted EBITDA of \$184.5 million was achieved, our Compensation Committee would have awarded a threshold bonus amount to our named executive officers based on 50% of the target percentage of his or her base salary as referenced above. However, our Compensation Committee determined that the actual Adjusted EBITDA performance level of \$179.3 million was below the threshold requirement. Therefore, no cash incentive awards were paid to Mr. Doyle, Ms. Sparks, Ms. Baldock and Mr. Dean for 2016 and Mr. Crysel did not receive the portion of his cash incentive award that related to the 2016 Adjusted EBITDA targets described above.

For Mr. Crysel, our Compensation Committee established a Business Unit EBITDA target of \$60.8 million for 2016. If the target level of Business Unit EBITDA of \$60.8 million was achieved, Mr. Crysel would be entitled to one hundred percent (100%) of the portion of his cash incentive award attributable to the achievement of Business Unit EBITDA. If at least ninety six percent (96%) of Business Unit EBITDA is achieved, Mr. Crysel would be entitled to fifty percent (50%) of the portion of his cash incentive award attributable to the achievement of Business Unit EBITDA. Our Compensation Committee determined that the actual Business Unit EBITDA performance for 2016 was \$63.5 million, which was above the target level. Therefore, Mr. Crysel received a bonus of \$83,281.

Long-term equity incentive program

Our long-term equity incentive program is designed to reward our named executive officers for Company performance, drive sustainable, long-term growth for our Company and our shareholders, and reinforce retention.

In March 2016, we granted to our named executive officers time-based restricted stock awards that vest as to 33.3% on each of the first, second and third anniversaries of the date of grant, generally subject to the executive's continued employment. We believe that grants of time-based restricted stock foster employee share ownership, align the interests of our named executive officers with those of our shareholders, and enhance retention by vesting and generally requiring continued employment over a period of years.

In early 2016, the Compensation Committee asked FW Cook to conduct a review of the long-term incentive practices of our compensation peer group. Based on that review, the Compensation Committee decided to modify our long-term equity incentive program to include grants of performance stock units ("PSUs") in addition to grants of time-based restricted stock. For 2016, the Compensation Committee determined that 50% of the value to be delivered under the Company's long-term equity incentive program would consist of time-based restricted stock and the remaining 50% would consist of PSUs.

In August 2016, each of our named executive officers received a grant of PSUs. The PSUs provide our named executive officers with the opportunity to earn Company stock based on the extent to which the Company achieves performance objectives over a one-year performance period. Earned Company stock is then subject to an addition two-year vesting schedule (vesting

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as to 50% of the earned Company stock on each of the first and second anniversaries of the performance period end date, generally subject to the executive's continued employment), thereby creating a three-year period of alignment. Based on achievement of the performance objectives over the performance period, our named executive officers are able to earn 50% to 150% of the target PSUs; no Company stock is earned if performance is below the threshold level.

Each named executive officer's 2016 long-term incentive award opportunity is shown in the table below.

Named Executive Officer	Target LTI Value (\$)	Time-based restricted stock (50%)		PSUs (50%)	
		\$ value	# shares of Company stock	\$ value	# units of Company stock
Michael T. Doyle	1,500,000	750,000	50,190	750,000	44,563
Teresa F. Sparks	500,000	250,000	16,370	250,000	14,854
Jennifer B. Baldock	300,000	150,000	10,040	150,000	8,912
John Crysel	300,000	150,000	10,040	150,000	8,912
Dennis Dean	300,000	150,000	10,040	150,000	8,912

For 2016, the financial goal for purposes of determining the vesting of PSUs was based on Adjusted EBITDA. With assistance from FW Cook, the Compensation Committee determined the following Adjusted EBITDA performance scale, along with the range of equity incentive award payouts (in dollars) based on achievement of the performance goals.

	Threshold	Target	Maximum	Actual
Adjusted EBITDA (in millions)	\$180.0	\$188.0	\$195.0	\$179.3
Payout	50%	100%	150%	50%*

*Although the actual adjusted EBITDA result was below the threshold requirement, our Compensation Committee waived the threshold performance condition and permitted 50% of the PSUs to become earned and eligible to vest in accordance with the terms of the award. Our Compensation Committee decided it was appropriate and necessary to waive this condition in order to retain key talent as we continue to grow and develop as a public company, particularly because no named executive officer (other than Mr. Crysel) received a bonus under our annual cash incentive program for 2016.

Additional One-Time Equity Awards

On March 17, 2016, the Compensation Committee approved an additional equity award to each of the named executive officers, excluding the CEO. The award was a restricted stock grant that vests 33.3% on each of the first, second and third anniversaries of the date of grant, generally subject to the executive's continued employment. This one-time, special equity award was granted to enhance the stock ownership position of the named executive officers, to strengthen the retentive efforts of the current compensation program, and to provide additional reward for successful activities relating to our initial public offering in 2015. The size of the special equity grant for each named executive officer is listed in the table below:

Named Executive Officer	Target Award \$ Value	# of shares of Company Stock
Teresa F. Sparks	200,000	13,796
Jennifer B. Baldock	50,000	3,346
John Crysel	50,000	3,346
Dennis Dean	50,000	3,346

Employee benefits and perquisites

All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including medical, dental, vision, life and disability insurance. Our named executive officers participate in these plans on the same basis as other eligible employees. We do not maintain any supplemental health and welfare plans for our named executive officers.

In 2016, we reimbursed Mr. Doyle for housing costs necessary to support his traveling several days per week to work in our corporate office in Nashville, Tennessee. The value of this benefit is included above in the "All Other Compensation" column of the Summary Compensation Table.

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Our named executive officers were also entitled to cell phone reimbursement in 2016. The aggregate dollar value of these benefits is less than \$1,000 per executive.

Retirement plans

The Company maintains a 401(k) plan in which eligible employees are permitted to participate. Prior to December 1, 2016, we also maintained the Symbion, Inc. 401(k) plan, in which eligible employees of Symbion, Inc. were permitted to participate. On December 1, 2016, the Symbion, Inc. 401(k) plan was merged into the Company's 401(k) plan; following such merger, all eligible employees of the Company are permitted to participate in the Company's 401(k) plan. The Company's 401(k) plan is a tax-qualified defined contribution retirement plan under which eligible employees may defer their eligible compensation, subject to the limits imposed by the Internal Revenue Code, and under which the Company may make discretionary matching contributions.

We also maintain the Symbion, Inc. Supplemental Executive Retirement Plan (the "SERP"), a nonqualified deferred compensation plan, for certain former management of Symbion, Inc., including Ms. Sparks, Mr. Crysel, Ms. Baldock and Mr. Dean. Under the SERP, participants may elect to defer up to 25% of annual base salary and up to 50% of bonus each year. Eligible employees who elect to defer are also entitled to an annual Company contribution under the SERP equal to 2% of base salary.

Risk Management and Compensation

Our Compensation Committee believes that the Company's compensation policies and practices are an integral part of the Board's risk management. Our Compensation Committee considers various features of our compensation policies and practices that discourage excessive or unnecessary risk taking, including but not limited to the following:

- Appropriate pay philosophy, peer group and other market comparability data and market positioning to align with and support business objectives;
- Effective balance in:
 - Cash and equity pay mix, including the use of restricted stock and PSUs, used to focus employees on mitigating downside risk while generating long-term gains;
 - Short- and longer-term performance focus, including caps on annual cash incentive awards; and,
 - Management and Board discretion to manage pay appropriately; and,
- Compensation Committee oversight of our compensation policies and practices.

Our Compensation Committee believes that the Company's executive compensation program does not encourage inappropriate risk-taking and the level of risk associated with the Company's compensation programs is not reasonably likely to have a material adverse effect on the Company.

Tax and Accounting Considerations

The Company considers the tax and accounting aspects of the elements of compensation utilized by the Company in determining the most effective method to use to deliver executive compensation. Because our stock first became publicly traded in 2015, executive compensation paid in our 2016 fiscal year was not subject to Section 162(m), which limits the deductibility of compensation paid to certain individuals to \$1 million, excluding qualifying performance-based compensation and certain other compensation. At such time as we are subject to the deduction limitations under Section 162(m), we expect that our Compensation Committee will consider the impact of Section 162(m) of the Code when structuring our executive compensation arrangements with our named executive officers. However, the Compensation Committee will retain flexibility to approve compensation arrangements that promote the objectives of the compensation program but that may not qualify for full or partial tax deductibility.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with the Company's management and, based on such review and discussions, has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by the Compensation Committee:

Brent Turner, Chairman

Christopher Laitala

Adam Feinstein

Matthew I. Lozow

Summary Compensation Table

The following table summarizes information regarding the compensation awarded to, earned by or paid to our named executive officers during 2016, 2015 and 2014.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
Michael T. Doyle <i>Chief Executive Officer</i>	2016	450,000	—	1,500,000	—	44,250	1,994,250
	2015	442,308	—	—	350,000	33,310	825,618
	2014	350,000	—	—	250,000	3,840,799	4,440,799
Teresa F. Sparks <i>Executive Vice President and Chief Financial Officer</i>	2016	365,978	—	700,000	—	109,474	1,175,452
	2015	335,000	100,000	—	167,500	8,672	611,172
	2014	267,348	—	940,109	167,500	282,793	1,657,750
Jennifer B. Baldock <i>Senior Vice President, General Counsel and Secretary</i> ⁽⁴⁾	2016	271,809	—	350,000	—	18,277	640,086
John Crysel <i>Group President of Surgery Partners' National Group</i>	2016	328,373	—	350,000	83,281	107,928	869,582
	2015	325,000	—	—	162,500	8,445	495,945
	2014	265,682	—	578,528	133,291	263,598	1,241,099
Dennis Dean <i>Senior Vice President, Corporate Controller</i> ⁽⁴⁾	2016	265,965	—	350,000	—	24,534	640,499

- (1) Reflects a bonus payment approved by the Board and paid to Ms. Sparks in connection with her work during our initial public offering.
- (2) Reflects the dollar amounts of the aggregate grant date fair value of restricted stock and PSUs granted to our named executive officers in 2016, as determined in accordance with ASC Topic 718. These amounts do not reflect the actual amounts that may be paid or realized by our named executive officers and exclude the effect of estimated forfeitures. The aggregate grant date fair value of the time-based restricted stock awards was calculated using the closing price of our common stock on the grant date. The aggregate grant date fair value of the PSUs was determined based on the probable outcome of the applicable performance conditions associated with such award. The award was valued based on a Monte Carlo grant date fair value of \$16.83 per share. The aggregate grant date fair values of the named executive officers' PSUs, assuming the maximum level of performance, are: Mr. Doyle, \$750,000; Ms. Sparks, \$250,000; Ms. Baldock, \$150,000; Mr. Crysel, \$150,000; and Mr. Dean, \$150,000.
- (3) Reflect the cash bonuses paid to our named executive officers for 2015 and 2014 under our annual cash incentive plan. No bonuses were paid pursuant to our annual cash incentive plan for 2016, other than to Mr. Crysel, who received a bonus in connection with achievement of certain operational targets specific to his business unit. Please refer to the section titled "Compensation Discussion and Analysis-Elements of named executive officer compensation-Short-term incentive awards" above for additional details regarding our 2016 bonus program.
- (4) Ms. Baldock and Mr. Dean became named executive officers during 2016; therefore, in accordance with SEC rules, only the executive's compensation for 2016 is provided herein.
- (5) Reflects the items set forth in the table below, as applicable to each named executive officer:

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Name	Year	Company 401(k) match contributions (\$) ^(a)	Company contributions under the SERP (\$) ^(b)	Equity award related payments (\$)	Company reimbursements for business-related housing (\$)	Other	Total (\$)
Michael T. Doyle	2016	5,300	—	—	38,950 ^(e)	—	44,250
	2015	5,300	—	—	28,010 ^(e)	—	33,310
	2014	5,200	—	3,807,411 ^(c)	28,188 ^(e)	—	3,840,799
Teresa F. Sparks	2016	3,975	6,700	97,899	—	900 ^(f)	109,474
	2015	1,072	6,700	—	—	900 ^(f)	8,672
	2014	1,076	4,998	275,819 ^(d)	—	900 ^(f)	282,793
Jennifer B. Baldock	2016	3,975	4,800	8,602	—	900 ^(f)	18,277
John Crysel	2016	3,975	8,128	94,925	—	900 ^(f)	107,928
	2015	1,045	6,500	—	—	900 ^(f)	8,445
	2014	1,179	4,998	256,521 ^(d)	—	900 ^(f)	263,598
Dennis Dean	2016	—	4,700	18,934	—	900 ^(f)	24,534

^(a) Reflects our matching contributions to the Company's 401(k) Plan which is a broad-based tax-qualified defined contribution plan.

^(b) Reflects our contributions to the Symbion, Inc. Supplemental Executive Retirement Plan, a nonqualified deferred compensation plan, on behalf of Ms. Sparks, Ms. Baldock, Mr. Crysel and Mr. Dean.

^(c) Reflects the dollar amount of a cash distribution received by Mr. Doyle in respect of his vested Class B Units in connection with a recapitalization of the Company that occurred in January 2014. All Class B Units were converted to shares of our common stock in connection with our initial public offering. Prior to our initial public offering, each of our named executive officers was granted Class B Units under the Surgery Center Holdings, LLC Amended and Restated Limited Liability Company Agreement (the "LLC Agreement"). In connection with our initial public offering, all of the outstanding vested and unvested Class B Units in Surgery Center Holdings, LLC were converted into a number of vested and unvested shares of our common stock, respectively. All outstanding unvested Class B Units held by our named executive officers at the time of the initial public offering became immediately vested.

^(d) Reflects the dollar amounts received by Ms. Sparks and Mr. Crysel in connection with the cancellation of their Symbion stock options in connection with the Company's acquisition of Symbion in 2014.

^(e) Reflects our reimbursements of business travel related housing costs for Mr. Doyle.

^(f) Reflects cell phone reimbursement for the respective officers.

Grants of plan based awards

The following table sets forth information regarding grants of plan-based awards made to each of our named executive officers during our 2016 fiscal year.

Name	Type of Award	Grant Date	Potential Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾		Potential Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All other stock awards: Number of shares of stock ⁽³⁾	Grant date fair value of stock awards (\$) ⁽⁶⁾
			Threshold (\$)	Target (\$)	Threshold (# of shares)	Target (# of shares)	Maximum (# of shares)		
Michael T. Doyle	Annual Incentive		—	350,000					
	Restricted Stock	3/17/2016					50,190	750,000 ⁽⁴⁾	
	PSUs	8/2/2016			22,281	44,563	66,684	750,000 ⁽⁵⁾	
Teresa F. Sparks	Annual Incentive		91,495	182,989					
	Restricted Stock	3/17/2016					30,166	450,000 ⁽⁴⁾	
	PSUs	8/2/2016			7,427	14,854	22,281	250,000 ⁽⁵⁾	
Jennifer B. Baldock	Annual Incentive		54,362	108,724					
	Restricted Stock	3/17/2016					13,386	200,000 ⁽⁴⁾	
	PSUs	8/2/2016			4,456	8,912	13,368	150,000 ⁽⁵⁾	
John Crysel	Annual Incentive		82,093	164,187					
	Restricted Stock	3/17/2016					13,386	200,000 ⁽⁴⁾	
	PSUs	8/2/2016			4,456	8,912	13,368	150,000 ⁽⁵⁾	
Dennis Dean	Annual Incentive		39,895	79,790					
	Restricted Stock	3/17/2016					13,386	200,000 ⁽⁴⁾	
	PSUs	8/2/2016			4,456	8,912	13,368	150,000 ⁽⁵⁾	

⁽¹⁾ Reflects annual cash bonus opportunities granted under our annual cash incentive plan. As described in “-Short-term incentive awards” above, each named executive officer was eligible to receive a target annual bonus that is equal to a percentage of his or her annual base salary. Under our annual cash incentive plan, if our actual Adjusted EBITDA for our 2016 fiscal year had been achieved at threshold level, as determined by the Compensation Committee, 50% (25% for Mr. Crysel) of the annual bonus would have been earned and if our actual Adjusted EBITDA for our 2016 fiscal year had been achieved at target level, as determined by the Compensation Committee, 100% (50% for Mr. Crysel) of the annual bonus would have been earned. Fifty percent (50%) of Mr. Crysel's annual cash bonus opportunity is based on additional operational targets specific to his business unit. See “-Short-term cash incentive plan.” No amount was paid to our named executive officers under our annual cash incentive plan for our 2016 fiscal year (other than Mr. Crysel) because the threshold 2016 Adjusted EBITDA target was not achieved; Mr. Crysel was paid the full portion of his annual cash bonus opportunity due to the achievement of the operational targets specific to his business unit. Therefore, only the amount related to Mr. Crysel's operational targets is reflected in the Summary Compensation Table above.

⁽²⁾ Reflects grants of PSUs to our named executive officers under our equity incentive plan, as described in “-Long-term incentive awards” above. Under the terms of the PSUs, if our actual Adjusted EBITDA, for our 2016 fiscal year had been achieved at threshold level, as determined by the Compensation Committee, 50% of the PSUs subject to the award would have been earned; if our actual Adjusted EBITDA for our 2016 fiscal year had been achieved at target level, as determined by the Compensation Committee, 100% of the PSUs subject to the award would have been earned; and if our actual Adjusted EBITDA for our 2016 fiscal year had been achieved at maximum level, as determined by the Compensation Committee, 150% of the PSUs subject to the award would have been earned. As discussed in “-Long-term incentive awards” above, our actual Adjusted EBITDA result was below the threshold requirement. Nonetheless, in order to retain and continue to motivate our key employees, the Compensation Committee waived the threshold performance condition and 50% of each award of PSUs became earned in March 2017 and eligible to vest in accordance with its terms.

⁽³⁾ Reflects grants of restricted stock awards to our named executive officers under our equity incentive plan, as described in “-Long-term incentive awards” above.

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- (4) Reflects the dollar amounts of the aggregate grant date fair value of time-based restricted stock awards granted to our named executive officers in 2016, as determined in accordance with ASC Topic 718. These amounts do not reflect the actual amounts that may be paid or realized by our named executive officers and exclude the effect of estimated forfeitures. The aggregate grant date fair value of the time-based restricted stock awards was calculated using the closing price of a share of our common stock on the grant date.
- (5) Reflects the dollar amounts of the aggregate grant date fair value of PSUs granted to our named executive officers in 2016, as determined in accordance with ASC Topic 718. These amounts do not reflect the actual amounts that may be paid or realized by our named executive officers and exclude the effect of estimated forfeitures. The aggregate grant date fair value of the PSUs was determined based on the probable outcome of the applicable performance conditions associated with such award. The award was valued based on a Monte Carlo grant date fair value of \$16.83 per share.
- (6) Amounts shown in this column reflect the fair value of the stock option awards on the date of grant determined in accordance with ASC Topic 718, excluding the effect of estimated forfeitures.

Narrative disclosure to summary compensation table and grants of plan-based awards table

We have entered into amended and restated employment agreements with each of our named executive officers.

Michael T. Doyle. In September 2015, we entered into an amended and restated employment agreement with Mr. Doyle in connection with our initial public offering. Pursuant to his amended and restated employment agreement, Mr. Doyle receives an annual base salary of \$450,000, which is subject to increase by the Board or the Compensation Committee of the Board. Mr. Doyle is also eligible to earn an annual cash bonus of up to \$350,000 based on the achievement of certain performance goals. Mr. Doyle is eligible to participate in our employee benefit plans, as may be in effect from time to time.

Teresa F. Sparks. In September 2015, we entered into an amended and restated employment agreement with Ms. Sparks in connection with our initial public offering. Pursuant to her amended and restated employment agreement, Ms. Sparks receives an annual base salary of \$365,978, which is subject to increase by the Board or the Compensation Committee of the Board. Ms. Sparks is also eligible to earn an annual cash bonus based on the achievement of certain performance goals with a target of 50% of her base salary. Ms. Sparks is eligible to participate in our employee benefit plans, as may be in effect from time to time.

Jennifer B. Baldock. In April 2017, we entered into an amended and restated employment agreement with Ms. Baldock. In 2016, Ms. Baldock received an annual base salary of \$271,809. Ms. Baldock's base salary is subject to increase by the Board or the Compensation Committee of the Board. Ms. Baldock is also eligible to earn an annual cash bonus based on the achievement of certain performance goals with a target of 40% of her base salary. Ms. Baldock is eligible to participate in our employee benefit plans, as may be in effect from time to time. Prior to this date, Ms. Baldock was party to an employment agreement with Symbion, which provided for substantially the same terms as described above.

John Crysel. In September 2015, we entered into an amended and restated employment agreement with Mr. Crysel in connection with our initial public offering. Pursuant to his amended and restated employment agreement, Mr. Crysel receives an annual base salary of \$328,373, which is subject to increase by the Board or the Compensation Committee of the Board. Mr. Crysel is also eligible to earn an annual cash bonus based on the achievement of certain performance goals with a target of 50% of his base salary. Mr. Crysel is eligible to participate in our employee benefit plans, as may be in effect from time to time.

Dennis Dean. In April 2017, we entered into an amended and restated employment agreement with Mr. Dean. In 2016, Mr. Dean received an annual base salary of \$265,965. Mr. Dean's base salary is subject to increase by the Board or the Compensation Committee of the Board. Mr. Dean is also eligible to earn an annual cash bonus based on the achievement of certain performance goals with a target of 30% of his base salary. Mr. Dean is eligible to participate in our employee benefit plans, as may be in effect from time to time. Prior to this date, Mr. Dean was party to an employment agreement with Symbion, which provided for substantially the same terms as described above.

For a description of the payments and benefits our named executive officers may be entitled to in connection with a termination of employment, see “- Potential payments upon termination or change in control.”

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding equity awards held by our named executive officers as of the last day of our 2016 fiscal year.

Name	Number of shares or units of stock that have not vested (#)	Market value or shares of units of stock that have not vested (\$) ⁽³⁾	Equity incentive plan awards: Number of unearned shares, units or other rights that have not yet vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not yet vested (\$) ⁽³⁾
Michael T. Doyle	50,190 ⁽¹⁾	795,512	44,563 ⁽²⁾	706,324
Teresa F. Sparks	30,166 ⁽¹⁾	478,131	14,854 ⁽²⁾	235,436
Jennifer B. Baldock	13,386 ⁽¹⁾	212,168	8,912 ⁽²⁾	141,255
John Crysel	13,386 ⁽¹⁾	212,168	8,912 ⁽²⁾	141,255
Dennis Dean	13,386 ⁽¹⁾	212,168	8,912 ⁽²⁾	141,255

⁽¹⁾ Represents restricted stock granted on March 17, 2016, of which 33.3% vests upon the first, second and third anniversaries of the date of grant.

⁽²⁾ Represents the target number of PSUs granted on August 2, 2016, that become earned based on achievement of pre-determined performance target and, following the date on which such Company stock is earned, vest as to 50% of the earned Company stock on the first and second anniversaries of the performance period end date.

⁽³⁾ Based on the closing price of a share of our common stock on December 30, 2016 (\$15.85).

Nonqualified Deferred Compensation

The following table sets forth information regarding the value of accumulated benefits of our named executive officers under our nonqualified deferred compensation arrangements as of the last day of our 2016 fiscal year.

Name	Executive contributions in last fiscal year (\$) ⁽¹⁾	Company contributions in last fiscal year (\$) ⁽²⁾	Aggregate earnings in last fiscal year (\$) ⁽³⁾	Aggregate withdrawals/distributions (\$)	Aggregate balance at last fiscal year end (\$)
Michael T. Doyle	—	—	—	—	—
Teresa F. Sparks	22,030	6,700	21,825	—	337,401
Jennifer B. Baldock	19,086	4,800	3,187	—	51,283
John Crysel	50,375	8,128	18,637	—	175,577
Dennis Dean	19,991	4,700	28,460	—	258,580

⁽¹⁾ Reflects contributions by each of our named executive officers (other than Mr. Doyle) to the Symbion, Inc. Supplemental Executive Retirement Plan (the “SERP”) during fiscal 2016.

⁽²⁾ Reflects Company contributions to the SERP on behalf of each of our named executive officers (other than Mr. Doyle) for fiscal 2016.

⁽³⁾ Reflects aggregate earnings accrued on the accounts of each named executive officer (other than Mr. Doyle) for fiscal 2016.

Mmes. Sparks and Baldock and Messrs. Crysel and Dean participate in the SERP, a nonqualified deferred compensation plan sponsored by Symbion which is an unfunded plan available to executives and certain key employees and directors of Symbion, an indirect subsidiary of the Company. Under the plan, participants are permitted to defer up to 25% of their annual base salary and up to 50% of their bonus each year. Symbion makes contributions for each participant who contributed at least 2% of base salary earned during such plan year and who was employed as of the last day of the plan year; the amount of Symbion’s contribution is at least 2% of base salary deferred. Participants are generally 100% vested in Symbion contributions; provided, however, if the participant’s employment is terminated for reasons other than due to death or “disability” or following “normal retirement date” or a “change in control” (each as defined therein), the participant will forfeit the Symbion contributions (without regard to earnings or losses thereon) that were made less than one year prior to the participant’s termination of employment. Participants may select among a broad range of investment alternatives under this plan, and participants’ accounts are credited with a rate of return based on the performance of the selected investments. Symbion does not provide above-market or preferential earnings on deferred compensation. A participant’s account may be paid in a single lump sum or in annual installments of a period no more than 10 years (at the participant’s election). Symbion has established a rabbi trust to assist in meeting a portion of its obligations under the plan.

Potential Payments upon Termination or Change in Control

Each of our named executive officers is entitled to receive certain benefits upon a qualifying termination of employment and/or upon certain change in control transactions accompanied by a qualifying termination of employment within a certain period of time following such transaction, as described below.

Each employment agreement provides for severance upon a termination of employment by us without cause or by the named executive officer for good reason, in each case conditioned on the named executive officer’s timely and effective execution of a release of claims acceptable to Surgery Partners, Inc. and either Surgery Centers, LLC (for Mr. Doyle) or Symbion, Inc. (for Ms. Sparks, Mr. Crysel, Ms. Baldock and Mr. Dean), as applicable, and other customary terms and conditions.

Mr. Doyle is entitled to severance consisting of continued base salary and fully-reimbursed health care premium payments including a tax gross-up for a period of 12 months following termination, and a pro rata bonus for the year of termination.

Ms. Sparks, Mr. Crysel, Ms. Baldock and Mr. Dean are each entitled to severance consisting of 12 months of continued base salary, an amount equal to their target bonus payable within two and a half months following the end of the fiscal year of termination, and continued health and welfare plan benefits at no cost to the executive during the severance period. Under the employment agreements with each of Ms. Sparks, Mr. Crysel, Ms. Baldock and Mr. Dean, if a qualifying termination occurs

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within 12 months following a change in control, the executive is entitled to be paid the severance benefits described above in a single lump-sum payment no later than 30 days following termination.

Ms. Baldock's and Mr. Dean's employment agreements were each amended and restated in April 2017. In connection with such amendment and restatement, in addition to the severance described above, Ms. Baldock and Mr. Dean are also entitled to one year of accelerated vesting for any outstanding time-based restricted stock and earned but unvested PSUs as of the termination date.

Pursuant to their respective employment agreements, our named executive officers are bound by certain restrictive covenants, including covenants relating to confidentiality and assignment of intellectual property rights, as well as covenants not to compete with us or to solicit our employees or other service providers during employment and for a specified period following termination of employment. Mr. Doyle is bound by a non-competition covenant for two years following termination of employment, or at the Company's option and in exchange for a payment equal to two times his annual base salary for three years following termination of employment, and is bound by a non-solicitation covenant for three years following termination of employment. Ms. Sparks, Mr. Crysel, Ms. Baldock and Mr. Dean are bound by a non-competition covenant for one year following termination of employment, and by a non-solicitation covenant for two years following termination of employment.

Our time-based restricted stock awards provide for 100% accelerated vesting on a termination of employment by the named executive officer due to death or disability, or due to a termination of employment by the Company without "cause" or resignation by the executive for "good reason" (each as defined in the applicable award agreement) within 90 days prior to or 18 months following a "change in control."

For PSUs, if a change of control occurs, the Compensation Committee will determine the extent to which the performance criteria has been satisfied, and the number of PSUs that are earned based on such performance criteria as of the change in control (which shall be prorated based on the number of days that have elapsed during the performance period). Any earned PSUs will continue to vest solely based on time in accordance with the terms of the award agreement. If in connection with the change in control, the earned PSUs are assumed or continued, or a new award substituted for the earned PSUs and the named executive officer's employment is terminated without cause or for good reason (in each case, generally as defined in the executive officer's employment agreement) within 90 days prior to or 18 months following the change in control, the earned PSUs will automatically vest in full. If in connection with a change in control, the earned PSUs are not assumed or continued, or a new award substituted for the earned PSUs, the earned PSUs will automatically vest in full.

For purposes of the award agreements, a "change in control" is generally defined as (i) a sale or transfer (other than by way of merger or consolidation), of all or substantially all of the Company's assets to any person, (ii) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction, or (iii) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or person acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing more than 50% of the total voting power of the then-outstanding shares of capital stock of the Company.

In addition, 100% of any earned but unvested PSUs will become vested in connection with a termination of employment due to death or disability.

The following tables summarize the payments that would have been made to our named executive officers at the end of fiscal 2016 upon the occurrence of a termination of employment or a change in control, assuming that each named executive officer's termination of employment with the Company or a change in control occurred on December 30, 2016 (the last business day of our most recent fiscal year). Amounts shown do not include (i) accrued but unpaid salary, and (ii) other benefits earned or accrued by the named executive officer during his or her employment that are available to all salaried employees and that do not discriminate in scope, terms or operations in favor of executive officers.

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Name	Benefit	Death/Disability	Termination Without Cause / Resignation for Good Reason	Termination Without Cause / Resignation for Good Reason In Connection with a Change in Control
Michael T. Doyle	Cash Severance ⁽¹⁾	—	450,000	450,000
	Equity Payout / Acceleration ⁽³⁾	795,512	—	795,512
	Health Benefits ⁽²⁾	—	31,138	31,138
Teresa F. Sparks	Cash Severance ⁽¹⁾	—	548,967	548,967
	Equity Payout / Acceleration ⁽³⁾	477,339	—	477,339
	Health Benefits ⁽²⁾	—	23,921	23,921
Jennifer B. Baldock	Cash Severance ⁽¹⁾	—	380,533	380,533
	Equity Payout / Acceleration ⁽³⁾	212,168	—	212,168
	Health Benefits ⁽²⁾	—	17,331	17,331
John Crysel	Cash Severance ⁽¹⁾	—	492,560	492,560
	Equity Payout / Acceleration ⁽³⁾	212,168	—	212,168
	Health Benefits ⁽²⁾	—	19,679	19,679
Dennis Dean	Cash Severance ⁽¹⁾	—	345,755	345,755
	Equity Payout / Acceleration ⁽³⁾	212,168	—	212,168
	Health Benefits ⁽²⁾	—	22,806	22,806

- (1) Represents an amount equal to (a) 12 months of base salary continuation, (b) for Mr. Doyle, a pro-rata bonus for the year of termination, and (c) for Mmes. Sparks and Baldock and Messrs. Crysel and Dean, the executive's target bonus for the year of termination. Under the employment agreements with each of Mmes. Sparks and Baldock and Messrs. Crysel and Dean, if a qualifying termination occurs within 12 months following a change in control, the executive is entitled to be paid the severance benefits described above in a single lump-sum payment no later than 30 days following termination.
- (2) Represents the value associated with 12 months Company-paid continued health and welfare benefits and, for Mr. Doyle, a tax gross-up associated with such benefits. The value of the tax gross-up for Mr. Doyle was \$6,561.
- (3) Represents the value the unvested portion of the executive's time-based restricted stock awards as of December 30, 2016, the last business day of the 2016 fiscal year. The value is calculated by multiplying the number of shares of Company stock subject to acceleration by \$15.85, the closing price of our common stock on December 30, 2016. No portion of an executive's PSUs was earned as of the December 30, 2016 and, therefore, no such amount is included in the table above. However, in March 2017, the Compensation Committee approved the earning of 50% of each named executive officer's target PSUs. The value of such earned but unvested PSUs as of the date of such approval was as follows: \$353,154 (for Mr. Doyle); \$117,718 (for Ms. Sparks); \$70,628 (for Ms. Baldock); \$70,628 (for Mr. Crysel); and \$70,628 (for Mr. Dean).

DIRECTOR COMPENSATION

The following table sets forth information concerning the compensation earned by our directors during 2016. The director who is affiliated with H.I.G. does not receive compensation for his service as a director. In addition, Michael T. Doyle, our Chief Executive Officer, receives no additional compensation for his service as a director, and, consequently, is not included in this table. The compensation received by Mr. Doyle as an employee of during 2016 is reflected in the “Summary Compensation Table” on page 16.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)⁽¹⁾	Total (\$)
Matthew I. Lozow ⁽²⁾	—	—	—
Brent Turner	75,000	—	75,000
Christopher Laitala	90,000	55,000	145,000
Teresa DeLuca, M.D.	18,750 ⁽³⁾	85,000	103,750
Adam Feinstein	90,000	—	90,000

⁽¹⁾ Amounts reflect the grant date fair value of the stock options, determined in accordance with FASB ASC Topic 718. The assumptions used in the valuation of share awards are set forth in Note 11 to our consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2016.

⁽²⁾ Mr. Lozow is affiliated with H.I.G. and does not receive compensation for their service on our Board.

⁽³⁾ Ms. DeLuca's annual cash retainer is pro-rated for the portion of the year during which she served on our Board.

With respect to 2016, each member of our board of directors who was not an employee and who was not affiliated with H.I.G. was eligible to receive an annual cash retainer payment of \$75,000 and an annual grant of stock options. In addition, Mr. Laitala and Mr. Feinstein received an additional cash retainer payment of \$15,000 for service as the Chairman of the Board and Audit Committee Chairperson, respectively.

With respect to 2017, each non-employee director who is not affiliated with H.I.G. is entitled to an annual award of restricted stock having an aggregate fair market value equal to \$100,000 and an annual cash retainer payment of \$75,000. In addition, the chairman of the Audit Committee is entitled to an additional cash retainer payment of \$20,000, the chairman of the Compensation Committee is entitled to an additional cash retainer payment of \$20,000, and the chairman of the Nominating/Corporate Governance Committee (if formed) will be entitled to an additional cash retainer payment of \$10,000.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides certain information as of December 31, 2016 about common stock that may be issued under all of the Company's existing equity compensation plans and arrangements:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted- Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity Compensation Plans Approved by Security Holders	16,267	\$ 19.05	4,331,255
Equity Compensation Plans Not Approved by Security Holders	—	\$ —	—
Total	16,267	\$ 19.05	4,331,255

Surgery Partners, Inc. 2015 Omnibus Incentive Plan

Our Board adopted the Surgery Partners, Inc. 2015 Omnibus Incentive Plan (the "2015 Omnibus Plan"), and, following the completion of our IPO, all equity-based awards are granted under the 2015 Omnibus Plan. This summary of the 2015 Omnibus Plan is not a complete description of all provisions of the 2015 Omnibus Plan and is qualified in its entirety by reference to the 2015 Omnibus Plan, a form of which was filed as an exhibit to the Form S-8, dated October 6, 2015.

Administration

The 2015 Omnibus Plan is administered by our Compensation Committee, which has the authority to, among other things, interpret the 2015 Omnibus Plan and determine eligibility for, grant and determine the terms of awards under the 2015 Omnibus Plan. Our Compensation Committee's determinations under the 2015 Omnibus Plan will be conclusive and binding.

Authorized Shares

Subject to adjustment, as described below, the maximum number of shares of our common stock that may be delivered in satisfaction of awards under the 2015 Omnibus Plan is 4,815,700 shares. The shares of our common stock to be issued under the 2015 Omnibus Plan may be newly issued shares of our common stock or treasury stock acquired by us. Any shares of common stock underlying awards that are settled in cash, expire or become unexercisable without having been exercised or that are forfeited or repurchased by us due to failure to vest will again be available for issuance under the 2015 Omnibus Plan. In addition, the number of shares of our common stock delivered in satisfaction of awards will be determined net of shares of our common stock withheld by us in payment of the exercise price or purchase price of an award or in satisfaction of tax withholding requirements with respect to an award.

Individual Limits

The maximum number of shares of our common stock subject to stock options, and the maximum number of shares of our common stock subject to stock appreciation rights ("SARs"), that may be granted to any participant in the 2015 Omnibus Plan in any calendar year is, in each case, 500,000 shares. The maximum number of shares of our common stock subject to other awards that may be granted to any participant in the 2015 Omnibus Plan in any calendar year is 400,000 shares. The maximum amount payable to any participant in the 2015 Omnibus Plan in any calendar year under a cash award is \$5,000,000. Additional limits apply with respect to awards granted to directors who are not employees of our Company, such that the grant-date fair value of stock-denominated awards granted in any calendar year may not exceed \$400,000, except that such limit for a non-employee chairman of our board of directors or lead director is \$700,000.

Eligibility

Our key employees, directors, consultants and advisors are eligible to participate in the 2015 Omnibus Plan.

Types of Awards

The 2015 Omnibus Plan provides for awards of stock options, SARs, restricted stock, unrestricted stock, stock units, performance awards, cash awards and other awards convertible into or otherwise based on shares of our common stock. Cash awards and stock options that are intended to qualify as “incentive stock options” under Section 422 of the Internal Revenue Code may only be granted to participants who are our employees. The 2015 Omnibus Plan permits the grant of performance awards that are intended to qualify as exempt performance-based compensation under Section 162(m) of the Internal Revenue Code (“Section 162(m)”), to the extent applicable, as well as awards that are not intended to so qualify. During a transition period following the completion of this offering, the 2015 Omnibus Plan will also allow for the grant of performance awards that are exempt from Section 162(m) and its requirements pursuant to a special transition rule under Section 162(m).

Performance Criteria

Performance awards may be made based upon, and subject to the achievement of, performance objectives specified by our Compensation Committee. Performance objectives with respect to those awards that are intended to qualify as “performance-based compensation” for purposes of Section 162(m), to the extent applicable, are limited to an objectively determinable measure or measures of performance relating to any or any combination of the following (measured either absolutely or comparatively (including, without limitation, by reference to an index or indices or a specified peer group) and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, facility, line of business, project or geographical basis or in combinations thereof, and subject to such adjustments, if any, as our Compensation Committee specifies, consistent with the requirements of Section 162(m)): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after tax basis; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; customer satisfaction; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings.

Vesting

Our Compensation Committee has the authority to determine the vesting schedule applicable to each award, and to accelerate the vesting or exercisability of any award.

Termination of Employment or Service

Our Compensation Committee may determine the effect of a termination of employment or service on an award. Unless otherwise provided by our Compensation Committee, upon a termination of a participant’s employment or service, all unvested stock options and SARs then held by the participant will terminate and all other unvested awards will be forfeited and all vested stock options and SARs then held by the participant will remain outstanding for three months following such termination, or one year in the case of a termination due to death or permanent disability, or, in each case, until the applicable expiration date of the award, if earlier. All stock options and SARs held by a participant immediately prior to the participant’s termination of employment or service will immediately terminate if such termination is for cause, as defined in the 2015 Omnibus Plan, or occurs in circumstances that would have constituted grounds for the participant’s employment or service to be terminated for cause, in the determination of our Compensation Committee.

Transferability

Awards under the 2015 Omnibus Plan may not be transferred other than by the laws of descent and distribution, unless, for awards other than incentive stock options, otherwise provided by our Compensation Committee.

Corporate Transactions

In the event of certain corporate transactions (including a merger, consolidation or similar transaction, or the sale of substantially all of the assets, a change in ownership of the stock, or the dissolution or liquidation of the Company), our Compensation Committee may, among other things, provide for the continuation or assumption of outstanding awards, for new grants in substitution of outstanding awards, for the accelerated vesting or delivery of shares under awards or for a cash-out of outstanding awards, in each case on such terms and with such restrictions as it deems appropriate. Except as our Compensation Committee may otherwise determine, awards not assumed in connection with such a transaction will terminate automatically and, in the case of outstanding restricted stock, will be forfeited automatically upon the consummation of such transaction.

Adjustments

In the event of certain corporate transaction (including a stock dividend, stock split or combination of shares, including a reverse stock split, recapitalization or other change in our capital structure), our Compensation Committee will make appropriate adjustments to the maximum number of shares of our common stock that may be delivered under, and the individual and non-employee director share limits included in, the 2015 Omnibus Plan, and will also make appropriate adjustments to the number and kind of shares or securities subject to awards, the exercise prices of such awards or any other terms of awards affected by such change. Our Compensation Committee may also make the types of adjustments described above to take into account distributions and events other than those listed above if it determines that such adjustments are appropriate to avoid distortion in the operation of the 2015 Omnibus Plan.

Recovery of Compensation

Our Compensation Committee may cancel, rescind, withhold or otherwise limit or restrict any award at any time under the 2015 Omnibus Plan if the participant is not in compliance with the provisions of the 2015 Omnibus Plan or any award thereunder or if the participant breaches any agreement with us with respect to non-competition, non-solicitation or confidentiality. Our Compensation Committee also may recover any award or payments or gain in respect of any award under the 2015 Omnibus Plan in accordance with any applicable Company clawback or recoupment policy, or as otherwise required by applicable law or applicable stock exchange listing standards.

Amendment; Termination

Our Compensation Committee may amend the 2015 Omnibus Plan or outstanding awards, or terminate the 2015 Omnibus Plan as to future grants of awards, except that our Compensation Committee will not be able to alter the terms of an award if it would affect materially and adversely a participant's rights under the award without the participant's consent (unless expressly provided in the 2015 Omnibus Plan or the right to alter the terms of an award was expressly reserved by our Compensation Committee at the time the award was granted). Amendments to the 2015 Omnibus Plan will be conditioned on stockholder approval to the extent such approval is required by law, including the Code and applicable stock exchange requirements.

PROPOSAL NO. 3: ADVISORY VOTE ON FREQUENCY OF FUTURE EXECUTIVE COMPENSATION VOTES

In accordance with Section 14A of the Exchange Act, the Board of Directors is required to seek a non-binding advisory stockholder vote regarding the frequency of submission to stockholders of a so-called “Say-on-Pay” advisory vote as described in Proposal 2 above. Stockholders must be given the opportunity to vote on our executive compensation programs either annually, every two years or every three years. Although this vote is advisory and non-binding, the Board of Directors and the Compensation Committee will review voting results and give serious consideration to the outcome of such voting.

The Board recommends that future “Say-on-Pay” votes be conducted every year to provide stockholders with an opportunity to regularly evaluate our executive compensation program. An annual vote will provide us with regular stockholder feedback on our executive compensation program, and allow us to respond to prior voting results through the implementation of any appropriate changes to our program.

The Board asks you to consider the following resolution:

“RESOLVED, that the option for once every one, two or three years that receives the highest number of votes properly cast for this resolution will be determined to be the preferred frequency recommended by the stockholders of the Company with which the Company is to hold a non-binding, advisory stockholder vote to approve the compensation of the Company’s named executive officers, including the Summary Compensation Table and subsequent tables.”

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU CAST YOUR VOTE FOR A “SAY-ON-PAY” RESOLUTION EVERY ONE YEAR.

PROPOSAL NO. 4: RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We are asking our stockholders to ratify the Audit Committee's selection of Ernst & Young LLP, or Ernst & Young, as our independent registered public accounting firm for the fiscal year ending December 31, 2017. Ernst & Young has served as our independent registered public accounting firm since 2014.

The Audit Committee annually reviews the independent registered public accounting firm's independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firm's performance.

Although ratification is not required by our Bylaws or otherwise, the Board is submitting the selection of Ernst & Young to our stockholders for ratification as a matter of good corporate practice. If the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent registered public accounting firm. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if the committee determines that such a change would be in the best interests of the Company and our stockholders.

We expect that a representative of Ernst & Young will attend the Annual Meeting and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The accounting firm of Ernst & Young served as Surgery Partner's independent auditors for the years ended December 31, 2016 and 2015. In addition to rendering audit services during those two years, Ernst & Young performed various non-audit services for Surgery Partners.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee pre-approves all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed by Ernst & Young, subject to the de minimis exception for non-audit services that are approved by the Audit Committee prior to the completion of an audit. The Audit Committee may delegate pre-approval authority to one or more members of the Audit Committee consistent with applicable law and listing standards, provided that the decisions of such Audit Committee member or members must be presented to the full Audit Committee at its next scheduled meeting.

Audit and Other Fees for Past Two Fiscal Years

The following table sets forth the aggregate fees billed to Surgery Partners for services rendered by Ernst & Young for the 2016 and 2015 fiscal years:

	2016	2015
Audit Fees ⁽¹⁾	\$ 1,808,717	\$ 2,345,400
Audit-Related Fees ⁽²⁾	—	—
Tax Fees ⁽³⁾	255,370	312,000
All Other Fees ⁽⁴⁾	1,995	1,995
Total	\$ 2,066,082	\$ 2,659,395

⁽¹⁾Audit Fees. Audit Fees for the last two years were for professional services rendered by the independent registered public accountants in connection with (i) the audits of the Company's annual financial statements and (ii) the review of the Company's quarterly financial statements. Audit Fees for 2015 were also for services related to the Company's initial public offering and consents related to the Company's SEC filings.

⁽²⁾Audit-Related Fees. There were no audit-related services performed during 2016 and 2015.

⁽³⁾Tax Fees. Tax Fees for 2016 and 2015 were primarily related to professional services for tax compliance, advice and planning services.

⁽⁴⁾All Other Fees. All Other Fees encompasses any services provided by the independent registered public accountants other than the services reported in the other above categories. The only other fees during 2016 and 2015 were related to accounting research services.

The Audit Committee pre-approved all services performed since the pre-approval policy was adopted on November 5, 2015.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board is currently composed of three directors, all of whom satisfy the heightened independence requirements provided for in SEC rules. All members of the Audit Committee, who served at any time during 2016, are financially literate as that qualification has been interpreted by the Company's Board in its business judgment, and at least one member of the Audit Committee qualifies as an "audit committee financial expert" as that term is defined by the SEC. The Audit Committee operates under a written charter, which became effective in October 2015.

The Audit Committee hereby submits the following report:

- The Audit Committee has reviewed and discussed with management the Company's audited consolidated financial statements as of, and for, the year ended December 31, 2016.
- The Audit Committee has discussed with the independent registered public accountants, Ernst & Young, LLP, the matters required to be discussed by Statement on Auditing Standard No. 61, Communication with Audit Committees, as amended, as adopted by the Public Company Accounting Oversight Board (the "PCAOB").
- The Audit Committee has received and reviewed the written disclosures and the letter from Ernst & Young, LLP required by applicable rules of the PCAOB regarding Ernst & Young, LLP's communications with the Audit Committee concerning independence, and has discussed with Ernst & Young, LLP their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the financial statements referred to above be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 for filing with the SEC.

Audit Committee:

Adam Feinstein, Chairman

Teresa DeLuca

Brent Turner

RELATED PERSON TRANSACTIONS

The following is a description of transactions, since January 1, 2016, in which (a) we are a participant, (b) the amount involved exceeds \$120,000 and (c) one or more of our executive officers, directors, director nominees or 5% stockholders, or their immediate family members, each of whom we refer to as a “related person,” has a direct or indirect material interest. We refer to these as “related person transactions.”

Tax Receivable Agreement

In connection with the reorganization undertaken to facilitate our initial public offering, we entered into a tax receivable agreement (the “TRA”) under which generally we will be required to pay to the pre-IPO owners of Surgery Center Holdings, LLC 85% of the cash savings, if any, in U.S. federal, state or local tax that we actually realize (or are deemed to realize in certain circumstances) as a result of (i) certain tax attributes, including net operating losses, of Surgery Center Holdings, Inc. and its affiliates relating to taxable years ending on or before the date of such reorganization (calculated by assuming the taxable year of the relevant entity closes on the date of the Reorganization) that are or become available to us and our wholly-owned subsidiaries as a result of the Reorganization, and (ii) tax benefits attributable to payments made under the TRA, together with interest accrued at a rate of LIBOR plus 300 basis points from the date the applicable tax return is due (without extension) until paid. Under this agreement, generally we will retain the benefit of the remaining 15% of the applicable tax savings. We expect the payments we will be required to make under the TRA will be substantial. To the extent that we are unable to make payments under the TRA, and such inability is a result of the terms of credit agreements and other debt documents that are materially more restrictive than those existing as of the date of the TRA, such payments will be deferred and will accrue interest at a rate of LIBOR plus 500 basis points until paid. If the terms of such credit agreements and other debt documents cause us to be unable to make payments under the TRA and such terms are not materially more restrictive than those existing as of the date of the TRA, such payments will be deferred and will accrue interest at a rate of LIBOR plus 300 basis points until paid.

Registration Rights Agreement

In connection with our initial public offering, we entered into a registration rights agreement with certain of the pre-IPO owners of Surgery Center Holdings, LLC. Pursuant to the registration rights agreement, beginning 180 days after the date of our prospectus, certain of our pre-IPO owners of Surgery Center Holdings, LLC, their affiliates and certain transferees, will have the right, under certain circumstances and subject to certain restrictions, to require us to register for resale the shares of our common stock to be sold by them.

Further, H.I.G. and its affiliates will have the right, on up to five occasions, to demand that we register common stock to be sold by them. Such registration demand must be expected to result in aggregate net cash proceeds to the participating registration rights holders in excess of \$10 million, or \$25 million in the case of an underwritten offering. In certain circumstances, we may postpone or decline the filing of a registration statement in connection therewith. All other holders with Registrable Shares (as defined in the Registration Rights Agreement) have the ability to exercise certain piggyback registration rights in respect of shares of common stock to be sold by them in connection with registered offerings requested by H.I.G., its affiliates or initiated by us.

Indemnification Agreements

We entered into indemnification agreements with each of our directors and executive officers subsequent to our initial public offering. These agreements require us to indemnify these individuals and, in certain cases, affiliates of such individuals, to the fullest extent permissible under Delaware law against liabilities that may arise by reason of their service to us or at our direction, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

Control Relationships

H.I.G. and its affiliates beneficially own approximately 55% of our outstanding common stock. As a result, H.I.G. could potentially have significant influence over all matters presented to our stockholders for approval, including the election and removal of our directors and change in control transactions. The interests of H.I.G. may not always coincide with the interests of the other holders of our common stock.

In addition, we are a “controlled company” under the corporate governance standards of NASDAQ and, therefore, we avail to take advantage of certain exemptions from listing requirements, as applicable. Accordingly, our stockholders will not have the same protection afforded to stockholders of companies that are subject to all of NASDAQ corporate governance requirements, as applicable, and the ability of our independent directors to influence our business policies and affairs may be reduced.

Related Person Transactions Policy

We have adopted a formal written policy with respect to the review, approval and ratification of related person transactions. Under the policy, our Audit Committee is responsible for reviewing and approving related person transactions. In the course of its review and approval of related person transactions, our Audit Committee considers the relevant facts and circumstances to decide whether to approve such transactions, including, but not limited to:

- the impact on a director's independence in the event the related person is a director or an immediate family member of the director;
- the benefits to us of the proposed transaction;
- if applicable, the availability of other sources of comparable products or services; and
- the terms of the transaction; and
- the terms available to an unrelated third party or to employees generally.

The Audit Committee may also include such factors as: the related person's relationship to us and interest in the transaction, and the material facts of the proposed transaction, including the proposed aggregate value of the transaction. The Audit Committee may approve only those transactions that are in, or are not inconsistent with, our best interests and those of our stockholders, as the Audit Committee determines in good faith.

We did not have a written policy regarding the review and approval of related person transactions prior to our IPO. Nevertheless, with respect to such transactions, it was our policy for our Board to consider the nature of and business reason for such transactions, how the terms of such transactions compared to those which might be obtained from unaffiliated third parties and whether such transactions were otherwise fair to and in the best interests of, or not contrary to, our best interest. We believe that we have executed all of the transactions set forth under the section entitled "Related Party Transactions" on terms no less favorable to us than we could have obtained from unaffiliated third parties. It is our intention to ensure that all future transactions between us and our officers, directors and principal stockholders and their affiliates, are approved by the Audit Committee, and are on terms no less favorable to us than those that we could obtain from unaffiliated third parties.

CODE OF CONDUCT

We have a Code of Conduct which is applicable to all our directors, officers and employees (the "Code of Conduct"). The Code of Conduct is available on the "Investors-Corporate Governance" page of our website at www.surgerypartners.com. To the extent required pursuant to applicable SEC regulations, we intend to post amendments to or waivers from our Code of Conduct (to the extent applicable to our Chief Executive Officer or Chief Financial Officer) at this location on our website. Our Code of Conduct is available free of charge upon request to our General Counsel and Secretary, Surgery Partners, Inc., 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee 37215.

OTHER MATTERS

As of the date of this Proxy Statement, the Board of the Company does not know of any business which will be presented for consideration at the annual meeting other than that specified herein and in the Notice of Annual Meeting of Stockholders, but if other matters are presented, it is the intention of the persons designated as proxies to vote in accordance with their judgment on such matters.

ANNUAL REPORT ON FORM 10-K

You may receive a copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 without charge by sending a written request to Surgery Partners, Inc., 40 Burton Hills Boulevard, Suite 500, Nashville, Tennessee 37215, Attn: General Counsel and Secretary.

INCORPORATION BY REFERENCE

In our filings with the SEC, information is sometimes "incorporated by reference." This means that we are referring you to information that has previously been filed with the SEC and the information should be considered as part of the particular filing. As provided under SEC regulations, the "Audit Committee Report" contained in this Proxy Statement specifically are not incorporated by reference into any other filings with the SEC. In addition, this Proxy Statement includes several website addresses. These website addresses are intended to provide inactive, textual references only. The information on these websites is not part of this Proxy Statement.

2017 Annual Meeting Admission Ticket
2017 Annual Meeting of
Surgery Partners, Inc. Stockholders
Tuesday, May 2, 2017, 10:00 a.m. Central Daylight Time (CDT)
40 Burton Hills Boulevard, Suite 500
Nashville, TN 37215
Upon arrival, please present this admission ticket
and photo identification at the registration desk.

▼ PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼



Proxy — Surgery Partners, Inc.

Notice of 2017 Annual Meeting of Stockholders

40 Burton Hills Boulevard, Suite 500, Nashville, TN 37215
Proxy Solicited by Board of Directors for Annual Meeting – May 2, 2017

Michael T. Doyle and Christopher Laitala, or either of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Surgery Partners, Inc. to be held on May 2, 2017 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted by the stockholder. If no such directions are indicated, the Proxies will have authority to vote **FOR** both nominees, **FOR** Proposal 2, **1 YEAR** on Proposal 3 and **FOR** Proposal 4.

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

(Items to be voted appear on reverse side.)