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

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 5, 2022

Surgery Partners, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37576
(Commission
File Number)

47-3620923
(IRS Employer
Identification No.)

310 Seven Springs Way, Suite 500
Brentwood, Tennessee 37027
(Address of Principal Executive Offices) (Zip Code)

(615) 234-5900
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	SGRY	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

Members of management of Surgery Partners, Inc. (the “Company”) will be meeting with investors on January 10, 2022, as part of the 40th Annual J.P. Morgan Healthcare Conference, including a virtual presentation at 5:15 p.m. (Eastern Time). Based on results through November 2021, the Company is re-affirming its 2021 Adjusted EBITDA guidance of \$325 million to \$330 million and its 2021 Revenue guidance of 19% to 21% over 2020 results. The Company completed the deployment of approximately \$185 million of capital in three acquisitions in December 2021, at a weighted average multiple of approximately 8.5x 2022E Adjusted EBITDA and is re-affirming its preliminary 2022 Adjusted EBITDA guidance of at least \$370 million. This information is included in a Corporate Presentation that may be used for these meetings. The Corporate Presentation is available on the Company’s website at <http://ir.surgerypartners.com/events-and-presentations/presentations>.

The guidance for the fiscal year ended December 31, 2021 is based on results of the Company through November 2021 and is subject to quarter- and year-end adjustments in connection with the completion of customary financial closing procedures, including management’s review and finalization of the results for the full year 2021 and to accounting review procedures by the Company’s independent registered public accounting firm, which have not yet been performed. These customary closing procedures, along with December results, could cause actual results to differ materially from management’s guidance. Please also refer to Item 1A “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 and the Company’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021, and discussed from time to time in the Company’s reports filed with the Securities and Exchange Commission. You are cautioned not to rely on management’s guidance being achieved when making an investment decision in the Company’s securities.

Adjusted EBITDA is a financial measure that has not been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and the Company’s definition and computation of this non-GAAP financial measure may vary from those used by other companies. This measure has limitations as an analytical tool and should not be considered isolation or as a substitute or alternative to net income or loss, operating income or loss, or any other measures of operating performance derived in accordance with GAAP. The Company defines the term “Adjusted EBITDA” as income before income taxes adjusted for net income attributable to non-controlling interests, depreciation and amortization, interest expense, net, equity-based compensation expense, transaction, integration and acquisition costs, loss on disposals and deconsolidations, net, impairment charges, litigation settlement and other litigation costs and certain other items that we do not believe are representative of our ongoing operations. The Company is unable to present a quantitative reconciliation of Adjusted EBITDA to net income/loss for the periods presented because management cannot reasonably predict with sufficient reliability all of the necessary components of net income/loss for the periods presented. The determination of the amounts that are excluded from non-GAAP financial measure is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts.

The information in this Current Report is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933 or the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of David T. Doherty as Executive Vice President and Chief Financial Officer

On January 10, 2022, the Company announced the appointment of David T. Doherty to serve as Executive Vice President and Chief Financial Officer of the Company, effective as of February 1, 2022.

Mr. Doherty, 49, joined Surgery Partners in April of 2018 and assumed the role of Senior Vice President, Corporate Finance and Controller in August of 2018, with oversight of investor relations, financial planning & analysis, internal audit, tax and controllership. Prior to Surgery Partners, Mr. Doherty spent 15 years at Aetna, Inc. in a variety of roles including leadership roles for internal audit, planning, SEC reporting and controllership and as chief of staff to the Chief Financial Officer. He began his career with Arthur Andersen, where he earned his CPA.

A copy of the press release announcing Mr. Doherty’s appointment as Executive Vice President and Chief Financial Officer has been filed as [Exhibit 99.1](#) to this Current Report on Form 8-K and is incorporated herein by reference.

Employment Agreement with David T. Doherty

On January 7, 2022, the Company entered into an employment agreement with Mr. Doherty (the “Employment Agreement”). Pursuant to the terms of the Employment Agreement, Mr. Doherty is entitled to receive an annual base salary of \$515,000, subject to adjustment at the discretion of the Board of Directors of the Company (the “Board”) or its designee. In addition, Mr. Doherty is eligible to earn an annual bonus with a target amount equal to 75% of Mr. Doherty’s base salary, with the amount of such bonus to be determined by the Board or its designee based on the achievement of performance goals

established by the Board or its designee. The Employment Agreement entitles Mr. Doherty to participate in Company employee benefit programs for which senior executives of the Company are generally eligible, subject to the eligibility and participation requirements thereof (the “Welfare Benefits”).

The Employment Agreement also provides that Mr. Doherty will be granted, on or as soon as reasonably practicable following commencement of his role as Executive Vice President and Chief Financial Officer, a restricted stock award of shares common stock of the Company, par value \$0.01 per share (the “Common Stock”), worth \$200,000 on the date of grant (the “Restricted Stock Award”), which is subject in all respects to the Company’s 2015 Omnibus Incentive Plan, as amended and restated effective January 1, 2020, as amended (a copy of which was filed as Exhibit 10.17(a) to the Company’s Annual Report on Form 10-K filed on March 10, 2021) (the “Incentive Plan”) and agreements under which such awards pursuant to the plan are granted. The Restricted Stock Award will vest as to one-third of the award on each of the first three anniversaries of the date of grant, generally subject to continued employment on each vesting date and certain annual limits under the Incentive Plan; and

Mr. Doherty will also be eligible for annual equity grants under the Incentive Plan with an annual target amount of \$800,000, subject to approval of the Board (or an authorized committee thereof) in such forms determined by the Board or its designee in its discretion.

The Employment Agreement may be terminated (i) by Mr. Doherty upon 30 days’ advance written notice for any or no reason, (ii) by Mr. Doherty for “Good Reason,” (iii) upon Mr. Doherty’s death or “Incapacity” or (iv) by the Company at any time for “Cause” or without Cause. If Mr. Doherty’s employment is terminated by the Company without “Cause” or if he resigns for “Good Reason,” Mr. Doherty will be entitled to receive, subject to the execution of a release of claims and continued compliance with the restrictive covenants contained in the Employment Agreement, (i) 12 months base salary payable in the form of salary continuation over the 12-month period following the date of termination, (ii) continuation of the Welfare Benefits for twelve (12) months to the extent permissible under the terms of the relevant benefit plans at the same cost to Mr. Doherty as if Mr. Doherty were an active employee of the Company; (iii) any then-current annual bonus amount payable to Mr. Doherty within 3 months after the end of the applicable year (to the extent not previously paid), paid in a lump sum at the time that bonuses are regularly paid to employees; (iv) with respect to the portion of each restricted stock award held by Mr. Doherty as of date on which the Employment Agreement is terminated that is subject to time-based vesting (the “Time-Based RSA”), accelerated vesting of the Time-Based RSA to the vesting event next following the date on which the Employment Agreement is terminated; (v) with respect to the portion of each performance stock unit award held by Mr. Doherty as of the date on which the Employment Agreement is terminated that has been converted into “earned shares” (the “Earned PSUs”), accelerated vesting of the Earned PSUs to the vesting event next following the date on which the Employment Agreement is terminated; and (vi) with respect to each performance stock unit award issued after December 31, 2021, held by Mr. Doherty as of the date on which the Employment Agreement ends that have not been converted to Earned PSUs, Mr. Doherty’s rights under the award will be fully vested based on the number of shares that would be earned under the award based on performance measured through the end of Employment Agreement. If Mr. Doherty’s employment is terminated by the Company without “Cause” or by Mr. Doherty for “Good Reason”, in each case within 90 days prior to or 12 months following a change in control, Mr. Doherty is entitled to be paid the above severance benefits in a single lump-sum payment no later than 30 days following such termination of employment.

Pursuant to the Employment Agreement, Mr. Doherty is bound by certain restrictive covenants, including non-competition, interference with relationships, and non-solicitation restrictions for a period of 12 months following the termination of his employment. The Employment Agreement includes certain other customary terms, including with respect to protection of confidential information and documents, assignment of intellectual property rights and reimbursement of business expenses.

Mr. Doherty has also entered into the Company’s standard form of indemnification agreement, a copy of which is filed as Exhibit 10.14 to Amendment No. 1 to the Company’s Registration Statement on Form S-1 filed on September 14, 2015.

The foregoing description of the Employment Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Employment Agreement, which is incorporated into this Item 5.02 by reference to [Exhibit 10.1](#) of this Current Report on Form 8-K.

Resignation of Thomas F. Cowhey

On January 5, 2022, Thomas F. Cowhey, the Executive Vice President and Chief Financial Officer of the Company, notified the Board of Directors of the Company of his intention to resign from his current role. Mr. Cowhey and the Company agreed that Mr. Cowhey’s resignation from his current role would be effective January 31, 2022, but Mr. Cowhey has agreed to remain with the Company through the end of February 2022. In recognition of his service to the Company, the Board agreed to the vesting of all of Mr. Cowhey’s outstanding, unvested PSUs and restricted stock awards that are set to vest in March 2022, which vesting will occur in accordance with their terms in March 2022.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

[10.1](#) [Employment Agreement, dated January 7, 2022, by and between Surgery Partners, Inc. and David T. Doherty.](#)

[99.1](#) [Press release dated January 10, 2022](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SURGERY PARTNERS, INC.

By: /s/ Jennifer B. Baldock
Jennifer B. Baldock
Executive Vice President and Chief Administrative
Officer

Date: January 10, 2022

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is hereby entered into effective as of January 7, 2022 (the "Effective Date"), between Surgery Partners, Inc. (the "Company") and David Doherty ("Executive").

1. Employment. The Company shall employ Executive, and Executive hereby accepts continued employment with the Company, upon the terms and conditions set forth in this Agreement for the period beginning on February 1, 2022 (the "Commencement Date") and ending on the Termination Date, as provided for in Section 4 (the "Employment Period").

2. Position and Duties.

(a) During the Employment Period, Executive shall serve as Executive Vice President, Chief Financial Officer. Executive shall have such responsibilities, duties and authorities, and will render such services for the Company and its Subsidiaries or Affiliates as the Board of Directors of the Company (the "Board") may from time to time direct. Executive will devote his/her best efforts, energies and abilities and his/her full business time, skill and attention to the business and affairs of the Company and its Subsidiaries, and shall perform his/her duties and responsibilities to the best of his/her ability, in a diligent, trustworthy, businesslike and efficient manner for the purpose of advancing the businesses of Company and its Subsidiaries. Executive acknowledges that his/her duties and responsibilities will require his/her full time business efforts and agrees that during the Employment Period he/she will not engage in any other business activity or have any business pursuits that interfere with Executive's duties and responsibilities under this Agreement or are competitive with the businesses of the Company. Notwithstanding the foregoing, Executive shall be permitted to devote a reasonable amount of time and effort to (i) providing service to, or serving on governing boards of, civic and charitable organizations, and (ii) personally investing and managing personal and family investments in real estate and in any corporation, partnership or other entity; but in each case, only to the extent that any of the activities described in clauses (i) or (ii), individually or as a whole, do not (A) require or involve the active participation of Executive in the management of any corporation, partnership or other entity or interfere with the execution of Executive's duties hereunder, or (B) otherwise violate any provision of this Agreement.

(b) For purposes of this Agreement, (i) "Subsidiaries" means any corporation or other entity (A) of which the securities or other ownership interests having the voting power to elect a majority of the board of directors or other governing body are, at the time of determination, owned by the Company, directly or through one or more subsidiaries or (B) to which the Company or any of its Affiliates provide management services, and (ii) "Affiliate" of an entity means any other person or entity, directly or indirectly controlling, controlled by or under common control with an entity.

3. Compensation and Benefits.

(a) During the Employment Period, Executive's base salary shall be \$515,000 per annum, payable by the Company in regular installments in accordance with the Company's general payroll practices, less taxes and other applicable withholdings, and subject to review and adjustment from time to time by the Board or the Compensation Committee thereof (the "Committee"), in either case, in its discretion (as modified from time to time, the "Base Salary").

(b) In addition, during the Employment Period, Executive shall be entitled to participate in all of the Company's benefit programs for which employees of the Company are generally eligible, subject to the eligibility and participation requirements thereof, including, but not limited to, the following:

- and
- (i) medical, dental, vision, life and disability insurance, as is generally provided to other employees of the Company;
 - (ii) eligibility for vacation time in accordance with the policies of the Company as from time to time in effect.

(c) During the Employment Period, the Company shall reimburse Executive for all reasonable out-of-pocket expenses incurred by his/her in the course of performing his/her duties and responsibilities under this Agreement which are consistent with the Company's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses. Executive's right to payment or reimbursement for business expenses hereunder will be subject to the following additional rules: (i) no reimbursement of any expense shall affect Executive's right to reimbursement of any other expense in any other taxable year; (ii) the amount of expenses eligible for payment or reimbursement during any calendar year will not affect the expenses eligible for payment or reimbursement in any other taxable year; (iii) payment or reimbursement will be made not later than December 31 of the calendar year following the calendar year in which the expense was incurred or paid, and (iv) the right to payment or reimbursement is not subject to liquidation or exchange for any other benefit.

(d) In addition to the Base Salary, Executive will be eligible to receive an annual bonus of seventy-five percent (75%) of the Base Salary, with the actual amount of any such bonus being determined by the Board or the Committee, in either case, in its discretion, based on the achievement of performance goals established annually by the Board or the Committee, as applicable. Any annual bonus payable under this Section 3(d) will be paid no later than March 31st following the close of the year for which the bonus is earned.

(e) Executive shall be eligible to participate in the Surgery Partners, Inc. 2015 Omnibus Incentive Plan (as amended from time to time, (the "Equity Plan") on terms and conditions set forth therein and in the relevant award agreement unless specifically stated otherwise in this Agreement. Executive will be eligible for annual equity grants under the Equity Plan. Initially, the targeted equity grant will be \$800,000, subject to approval of the Board (or an authorized committee thereof), in such forms as determined by the Board or its designee in its discretion. In addition, subject to approval by the Committee or its designee, as soon as reasonably practical following the Commencement Date, the Company shall grant under the Equity Plan to the Executive equity with an aggregate value of \$200,000 as follows: (1) a restricted stock award that becomes vested in three equal annual installments following the grant date; and (2) a performance stock unit award that becomes earned and vested based on performance criteria specified in the award.

(f) All amounts payable to Executive hereunder shall be subject to all required withholdings by the Company. If additional guidance is issued under, or modifications are made to, Section 409A of the Internal Revenue Code of the Internal Revenue Code and the regulations and other interpretive guidance issued thereunder (collectively, "Section 409A"), or any other law affecting payments to be made under this Agreement, Executive agrees that the Company may take such reasonable actions and adopt such reasonable amendments as the Company believes are necessary to ensure continued compliance with the Internal Revenue Code, including Section 409A. However, the Company does not hereby or otherwise represent or warrant that any payments hereunder are or will be in compliance with Section 409A, and Executive shall be responsible for obtaining his/her own tax advice with regard to such matters.

4. Termination.

(a) Termination by Executive or the Company. The Employment Period (i) shall terminate upon Executive's resignation with Good Reason (as defined below) or without Good Reason, death or Incapacity (as defined below) or (ii) may be terminated by the Company at any time for Cause (as defined below) or without Cause.

(b) "Good Reason" shall mean without the written consent of Executive:

(i) without the express written consent of Executive, a material diminution of his/her position, duties, responsibilities, and status with the Company as in effect as of the Commencement Date or a material reduction of Executive's resources as in effect on the Commencement Date;

(ii) a material reduction in Executive's Base Salary or annual bonus target percentage;

(iii) a material reduction in the level of benefits available or awarded to Executive, other than any reduction in connection with a Company-wide reduction applicable generally to similarly situated executive officers of the Company;

(iv) within twelve months of a Change in Control (as defined herein), a material increase in Executive's core functional responsibilities with a corresponding material change in Executive's core functional role without a corresponding increase in compensation, provided, however, the addition of additional facilities or territories to Executive's oversight responsibilities or other ordinary course growth of the Company or any of its Subsidiaries or Affiliates shall not be a material increase in Executive's core functional responsibilities;

(v) a relocation by the Company of Executive's primary employment location to a location which is more than 50 miles from Executive's primary employment location on the date hereof; or

(vi) a material breach by the Company of the terms of this Agreement;

but only if (x) Executive notifies the Company in writing within 90 days after the initial existence or occurrence of any of these conditions which notice describes in reasonable detail the basis for Executive's belief that Good Reason exists and that Executive intends to resign for Good Reason and the Company, within 30 days after receipt of such notice, either fails to cure the condition or delivers a written notice to Executive that the Company intends not to cure such condition and (y) Executive actually resigns prior to 15 days after the earlier to occur of either the end of such 30-day cure period or delivery of such written notice by the Company.

(c) "Incapacity" as used herein shall mean that Executive is unable to perform, with or without reasonable accommodation, by reason of physical or mental incapacity, the essential duties, responsibilities and functions of his/her position. A medical examination by a physician selected by the Company to whom Executive or his/her duly appointed guardian, if any, has no reasonable objection shall determine, according to the facts then available, whether and when Incapacity has occurred. Such determination shall not be arbitrary or unreasonable, and shall be final and binding on the parties hereto.

(d) "Cause" as used herein means the occurrence of any of the following events:

(i) a material breach by Executive of any of the terms and conditions of this Agreement; provided that, if curable, Executive shall have a reasonable period of time (which in

no event shall exceed 45 days) during which to cure such material breach following the date on which Executive receives the Company's written notice of such material breach;

(ii) Executive's reporting to work (A) intoxicated (other than Executive's reasonable use of alcohol in connection with business entertainment, provided, that such use of alcohol does not cause the Company or any of its Subsidiaries or Affiliates substantial public disgrace or disrepute or economic harm) or (B) under the influence of illegal drugs;

(iii) Executive's use of illegal drugs (whether or not at the workplace) or other conduct causing the Company or any of its Subsidiaries or Affiliates substantial public disgrace or disrepute or economic harm;

(iv) breach of fiduciary duty, gross negligence or willful misconduct with respect to the Company or any of its Subsidiaries or Affiliates;

(v) chronic absenteeism, which shall be deemed to have occurred if Executive has at least ten absences unrelated to paid time off, disability or illness in any ten week period;

(vi) Executive's material failure or willful refusal to substantially perform his/her duties, responsibilities and functions; provided that, if curable, Executive shall have a reasonable period of time (which in no event shall exceed 45 days) during which to cure such failure following the date on which Executive receives the Company's written notice of such failure;

(vii) Executive's failure to comply with any of the Company's or any of its Subsidiaries' written guidelines or procedures promulgated by the Company or any such Subsidiary and furnished to Executive, including, without limitation, any guidelines or procedures relating to marketing or community relations; provided that, if curable, Executive shall have a reasonable period of time (which in no event shall exceed 45 days) during which to cure such failure following the date on which Executive receives the Company's written notice of such failure; or

(viii) Executive has committed an act or acts constituting a felony or any other act or omission involving theft, dishonesty or fraud against the Company or any of its Subsidiaries or any of their respective customers or suppliers or other business relationships.

(e) A "Change in Control" shall be deemed to have occurred upon any of the following events, provided that, to the extent required by Section 409A, such events would also qualify as a "change in control event" under Treas. Reg. §1.409A-3(i)(5):

(i) Upon the closing of a reorganization, merger, share exchange or consolidation, other than a reorganization, merger, share exchange or consolidation with respect to which those persons who were the beneficial owners, immediately prior to such reorganization, merger, share exchange or consolidation, of outstanding securities of the Company ordinarily having the right to vote in the election of directors own, immediately after the closing of such transaction, more than 51% of the outstanding securities of the resulting corporation ordinarily having the right to vote in the election of directors; or

(ii) Upon approval by the stockholders of a complete liquidation and dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company other than to a Subsidiary or Affiliate.

(f) Termination by Executive. Executive has the right to terminate his/her employment under this Agreement at any time, for any or no reason, but only after giving the Company (i) 30 days prior written notice with respect to any termination without Good Reason or (ii) the number of days prior

written notice set forth in the last sentence of Section 4(b) with respect to any termination with Good Reason.

(g) Compensation after Termination.

(i) If the Employment Period is terminated pursuant to Executive's resignation without Good Reason, death or Incapacity, Executive shall only be entitled to receive his/her Base Salary through the date of termination and shall not be entitled to any other salary, bonus, compensation or benefits from the Company or its Subsidiaries, except as may be required by applicable law.

(ii) If the Employment Period is terminated by the Company for Cause, Executive shall only be entitled to his/her Base Salary through the date of termination and shall not be entitled to any other salary, bonus, compensation or benefits from the Company or its Subsidiaries, except as may be required by applicable law. In addition, in such event, Executive shall automatically forfeit any rights to any unvested equity owned by Executive in the Company or any Subsidiary.

(iii) If the Employment Period is terminated by the Company without Cause or by Executive for Good Reason, then subject to the conditions described in Section 4(g)(v) below, Executive shall be entitled to receive as severance compensation the following (collectively, "Severance Pay"): (A) an amount equal to twelve (12) months of Executive's then-current annual Base Salary, payable in regular installments beginning within 30 days following the Termination Date in accordance with the Company's general payroll practices for salaried employees; (B) continuation of the welfare benefits described in Section 3(b) for twelve (12) months to the extent permissible under the terms of the relevant benefit plans at the same cost to Executive as if Executive were an active employee of the Company; (C) the Bonus payable to Executive within 3 months after the end of the applicable year (to the extent not previously paid), paid in a lump sum at the time that bonuses are regularly paid to employees; (D) with respect to the portion of each restricted stock award held by Executive as of date on which the Employment Period is terminated that is subject to time-based vesting (the "Time-Based RSA"), accelerated vesting of the Time-Based RSA to the vesting event next following the date on which the Employment Period is terminated; and (E) with respect to the portion of each performance stock unit award held by the Executive as of the date on which the Employment Period is terminated that has been converted into "earned shares" (the "Earned PSUs"), accelerated vesting of the Earned PSUs to the vesting event next following the date on which the Employment Period is terminated; and (F) with respect to each performance stock unit award issued after December 31, 2021, held by the executive as of the date on which the Employment Period ends that have not been converted to Earned PSUs, the Executive's rights under the award will be fully vested based on the number of shares that would be earned under the award based on performance measured through the end of Employment Period. For purposes of this Section 4(g), "Bonus" shall mean an amount equal to Executive's then-current annual Base Salary, multiplied by the percentage contained in Section 3(d) hereof. For the avoidance of doubt, the unvested portion of any restricted stock awards and performance share unit awards held by Executive as of the date on which the Employment Period ends (after giving effect to the acceleration provisions set forth in subsections (D), (E) and (F) herein and the terms and conditions of the applicable award agreements and the Surgery Partners, Inc. 2015 Omnibus Incentive Plan (as amended from time to time)) shall be forfeited and of no further force and effect.

(iv) If, within 90 days prior to or 12 months following a Change in Control, either (A) the Company terminates the employment of Executive hereunder without Cause under Section 4(a) above, or (B) Executive terminates his/her employment for Good Reason under Section 4(b) above, then, in lieu of any other compensation that may be specified in this Agreement, the Company will pay Executive the Severance Pay in a single lump-sum payment

not later than 30 days after termination. If any payment obligation under this Section 4(g) arises, no compensation received from other employment (or otherwise) will reduce the Company's obligation to make the payment(s) described in this paragraph.

(v) Notwithstanding Sections 4(g)(iii) or (iv), Executive's right to receive Severance Pay hereunder is conditioned upon: (A) Executive executing, and not revoking, a written separation agreement and general release of all claims against the Company, its Subsidiaries and Affiliates and their respective managers, directors, officers, shareholders, members, representatives, agents, attorneys, predecessors, successors and assigns (other than a claim for the severance payments described in Section 4(g)(iii) or (iv) and Executive's rights to future distributions and payments related to the continued ownership of any equity securities in the Company that Executive will continue to own after such termination), in form and substance acceptable to the Company, which shall among other things, contain a general release by Executive of all claims arising out of his/her employment and termination of employment by the Company (a "Release Agreement") within 30 days of Executive's Termination Date; and (B) Executive's material compliance with all of his/her obligations which survive termination of this Agreement. The Severance Pay is intended to be in lieu of all other payments to which Executive might otherwise be entitled in respect of his/her termination without Cause or resignation with Good Reason. The Company and its Subsidiaries and Affiliates shall have no further obligations hereunder or otherwise with respect to Executive's employment from and after the date of termination of employment with the Company (the "Termination Date"), and the Company and its Subsidiaries and Affiliates shall continue to have all other rights available hereunder (including without limitation, all rights hereunder at law or in equity).

(vi) Notwithstanding the foregoing, the Release Agreement (x) shall not require the release of Executive's rights arising from the express terms of this Agreement or any applicable award agreement that are associated with a termination of employment; (y) shall not impose any postemployment restrictions other than those set forth in this Agreement, and (z) shall take into account and preserve Executive's rights in the event that a Change in Control occurs within 90 days after termination of employment (or such longer tail period as may be provided by any agreement between Executive and the Company).

(vii) Except as otherwise expressly provided herein, all of Executive's rights to salary, bonuses, benefits and other compensation hereunder which might otherwise accrue or become payable after the termination of the Employment Period shall cease upon such termination, other than those expressly required under applicable law (such as COBRA). All amounts payable to Executive as severance hereunder shall be subject to all required withholdings by the Company.

(h) The Company may offset any amount Executive owes the Company or its Subsidiaries or Affiliates against any amount they or their Subsidiaries or Affiliates owe Executive hereunder.

5. Confidential Information. Other than in the performance of his/her duties hereunder, during the Restrictive Period (as defined below) and thereafter, Executive shall keep secret and retain in strictest confidence, and shall not, without the prior written consent of the Company, furnish, make available or disclose to any third party or use for the benefit of himself or any third party, any Confidential Information. As used in this Agreement, "Confidential Information" shall mean any information relating to the business or affairs of the Company or any of its Subsidiaries or Affiliates or the Business, including but not limited to any technical or non-technical data, formulae, compilations, programs, devices, methods, techniques, designs, processes, procedures, improvements, models, manuals, financial data, acquisition strategies and information, information relating to operating procedures and marketing strategies, and any other proprietary information used by the Company or any of its Subsidiaries or Affiliates in connection with the Business, irrespective of its form; provided, however, that Confidential Information shall not include any information which is in the public domain or becomes known in the industry, in each case through no wrongful act on the part of Executive. Executive

acknowledges that the Confidential Information is vital, sensitive, confidential and proprietary to the Company and its Subsidiaries and Affiliates. Executive will immediately notify the Company of any unauthorized possession, use, disclosure, copying, removal or destruction, or attempt thereof, of any Confidential Information by anyone of which Executive becomes aware and of all details thereof. Executive shall take all reasonably appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. Executive shall deliver to the Company at the termination or expiration of the Employment Period, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, computers, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information, Inventions and Discoveries (as defined below) or the business of the Company or any of its Subsidiaries or Affiliates which Executive may then possess or have under his/her control. Nothing in this Agreement limits, restricts or in any other way affects Executive's communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity, or requires Executive to provide notice to the Company of the same. Executive cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (2) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, Executive may be held liable if Executive unlawfully accesses trade secrets by unauthorized means.

"Business" as used herein means the business of owning, operating, developing and/or managing, or providing management or administrative services to, (a) ambulatory surgery centers anywhere in the United States or (b) physician-owned surgical hospitals within a 50 mile radius of any hospital that is owned, operated, developed or managed by the Company or any Affiliate.

6. Inventions and Discoveries.

(a) Executive understands and agrees that all inventions, discoveries, ideas, improvements, whether patentable, copyrightable or not, pertaining to the Business or relating to Company's or any of its Subsidiaries' or Affiliates' actual or demonstrably anticipated research, development or inventions (collectively, "Inventions and Discoveries") that result from any work performed by Executive solely or jointly with others for the Company or any of its Subsidiaries or Affiliates which Executive, solely or jointly with others, conceives, develops, or reduces to practice during the course of Executive's employment with the Company or any of its Subsidiaries, are the sole and exclusive property of the Company. Executive will promptly disclose all such matters to the Company and will assist the Company in obtaining legal protection for Inventions and Discoveries. Executive hereby agrees on behalf of himself, his/her executors, legal representatives and assignees that he/she will assign, transfer and convey to the Company, its successors and assigns the Inventions and Discoveries.

(b) THE COMPANY AND EXECUTIVE ACKNOWLEDGE AND AGREE THAT SECTION 6(a) SHALL NOT APPLY TO AN INVENTION OF EXECUTIVE FOR WHICH NO EQUIPMENT, SUPPLIES, FACILITY OR TRADE SECRET INFORMATION OF THE COMPANY OR ANY OF ITS SUBSIDIARIES WAS USED AND WHICH WAS DEVELOPED ENTIRELY ON EXECUTIVE'S OWN TIME, UNLESS (A) THE INVENTION RELATED (I) TO THE BUSINESS OF THE COMPANY OR ANY OF ITS SUBSIDIARIES OR AFFILIATES OR (II) TO THE COMPANY'S OR ANY OF ITS SUBSIDIARIES' OR AFFILIATES' ACTUAL OR DEMONSTRABLY ANTICIPATED RESEARCH OR DEVELOPMENT, OR (B) THE INVENTION RESULTS FROM ANY WORK PERFORMED BY EXECUTIVE FOR THE COMPANY OR ANY OF ITS SUBSIDIARIES OR AFFILIATES.

(c) EXECUTIVE ACKNOWLEDGES THAT HE/SHE HAS READ THIS SECTION 6 AND FULLY UNDERSTANDS THE LIMITATIONS WHICH IT IMPOSES UPON HIM AND HAS RECEIVED A DUPLICATE COPY OF THIS AGREEMENT FOR HIS/HER RECORDS.

7. Restrictive Covenants. Executive acknowledges that in the course of his/her employment with the Company or any of its Subsidiaries or Affiliates, or their predecessors or successors, he/she has been and will be given access to and has and will become familiar with their trade secrets and with other Confidential Information and that his/her services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries or Affiliates. Therefore, and in further consideration of the compensation to be paid to Executive hereunder and in connection with his/her employment, and to protect the Company's and its Subsidiaries' and Affiliates' Confidential Information, business interests and goodwill:

(a) Non-compete. Executive hereby agrees that for a period commencing on the date hereof and ending on the Termination Date, and thereafter, through the period ending twelve (12) months after the Termination Date (collectively, the "Restrictive Period"), he/she shall not, directly or indirectly, as employee, agent, consultant, stockholder, director, co-partner or in any other individual or representative capacity, own, operate, manage, control, engage in, invest in or participate in any manner in, act as a consultant or advisor to, render services for (alone or in association with any person, firm, corporation or entity), or otherwise assist any person or entity (other than the Company and its Subsidiaries) that engages in or owns, invests in, operates, manages or controls any venture or enterprise that directly or indirectly engages or is actively developing or attempting to develop in any element of the Business anywhere within a 50-mile radius of the Nashville, Tennessee metropolitan area or within a 50-mile radius of any area (or in the event such area is a major city, the metropolitan area relating to such city) in which the Company or any of its Subsidiaries on the Termination Date actively engages or is actively developing or attempting to develop in any element of the Business (the "Territory"); provided, however, that nothing contained herein shall be construed to prevent Executive from investing in the stock of any competing corporation listed on a national securities exchange or traded in the over-the-counter market, but only if Executive is not involved in the business of said corporation and if Executive and his/her associates (as such term is defined in Regulation 14(A) promulgated under the Securities Exchange Act of 1934, as in effect on the date hereof), collectively, do not own more than an aggregate of 3% of the stock of such corporation. With respect to the Territory, Executive specifically acknowledges that the Company and its Subsidiaries intend to expand the Business into and throughout the United States. Notwithstanding the foregoing, the activity proscribed by this Section 7(a) shall not constitute a violation of this Section 7(a) where performed for (x) an entity where no more than a de minimis amount of revenue is derived from a business that is competitive with the business of the Company or any of its Affiliates; or (y) an entity that derives no more than \$100 million in revenue from one or more divisions, departments or segments, in the aggregate, that are engaged in any business competitive with the business of the Company or any of its Affiliates; provided, that in either case, you are not responsible for (and do not engage or participate in) the day-to-day management, oversight or supervision of such business and provided you do not have direct supervision over the individual or individuals who are so responsible for such day-to-day management, oversight or supervision.

(b) Interference with Relationships. Without limiting the generality of the provisions of Section 7(a) hereof, Executive hereby agrees that, for a period commencing on the Commencement Date and ending on the Termination Date, and thereafter, through the period ending twelve (12) months after the Termination Date (the "Non-Solicit Restrictive Period"), he/she will not, directly or indirectly, as employee, agent, consultant, stockholder, director, partner or in any other individual or representative capacity, (i) solicit or encourage, or participate in any business which solicits or encourages (A) any person, firm, corporation or other entity which has executed, or proposes to execute, a management services agreement or other services agreement with the Company or any of its Subsidiaries at any time during the term of this Agreement, or any successor in interest to any such person, firm, corporation or other entity, for the purpose of securing business or contracts related to any element of the Business, or (B) any present customer or patient of the Company or any of its Subsidiaries or any of their Affiliated Practices to terminate or otherwise alter his, her or its relationship with the Company or any of its Subsidiaries or such Affiliated Practice; provided, however, that nothing contained herein shall be construed to prohibit or restrict Executive from soliciting business from any such parties on behalf of the Company or any of its Subsidiaries in performance of his/her duties as an employee of the Company

required under and as specifically contemplated by Section 2 above or (ii) divert, entice away, solicit or encourage, or attempt to divert, entice away, solicit or encourage, any physician who utilizes or has invested in an Affiliated Practice to become an owner, investor or user of another practice or facility that is not an Affiliated Practice or approach any such physician for any of the foregoing purposes or authorize or assist in the taking of any such action by any third party. In addition, at all times from and after the Termination Date, Executive shall not contact or communicate in any manner with any of Company's, or any of its Subsidiaries' or Affiliates' suppliers or vendors, or any other third party providing services to the Company or any of its Subsidiaries, regarding the Company or any of its Subsidiaries or any Company- or any such Subsidiary-related matter (which suppliers, vendors or third party service providers will include, without limitation, any third party with whom the Company or any of its Subsidiaries was, during the term of Executive's employment with the Company or any of its Subsidiaries, contemplating engaging, or negotiating with, for the future provision of products or services). Provided, however, that these restrictions shall apply (x) only with respect to those persons who are or have been a business partner of the Company or any of its Affiliates at any time within the immediately preceding two (2)-year period or whose business has been solicited on behalf of the Company or any of the Affiliates by any of their officers, employees or agents within such two (2)-year period, other than by form letter, blanket mailing or published advertisement, and (y) only if Executive has performed work for such person during his employment with the Company or one of its Affiliates or been introduced to, or otherwise had contact with, such person as a result of his employment or other associations with the Company or one of its Affiliates or have had access to Confidential Information which would assist in his solicitation of such person.

(c) Non-solicitation. Other than in the performance of his/her duties hereunder, during the Non-Solicit Restrictive Period, Executive shall not, directly or indirectly, as employee, agent, consultant, stockholder, director, co partner or in any other individual or representative capacity, employ, recruit or solicit for employment or engagement, any person who is employed or engaged by the Company or any of its Subsidiaries or any of its Affiliated Practices during the Non- Solicit Restrictive Period, or otherwise seek to influence or alter any such person's relationship with any of the Affiliated Practices, the Company or any of its Subsidiaries; provided, however that responses to a general solicitation (such as an internet or newspaper solicitation) that are not targeted towards any particular person shall not be deemed to be a violation of the restrictions set forth in this Section 7(c).

(d) Affiliated Practice. For purposes of this Agreement, an "Affiliated Practice" shall include any practice or facility (i) in which the Company or any of its Subsidiaries has an ownership interest or (ii) that is managed by or receives other services from the Company or any of its Subsidiaries in connection with any element of the Business.

(e) Blue Pencil. If any court of competent jurisdiction shall at any time deem the term of this Agreement or any particular Restrictive Covenant (as defined below) too lengthy or the Territory too extensive, the other provisions of this Section 7 shall nevertheless stand, the Restrictive Period herein shall be deemed to be the longest period permissible by law under the circumstances and the Territory herein shall be deemed to comprise the largest territory permissible by law under the circumstances. The court in each case shall reduce the time period and/or Territory to permissible duration or size.

(f) Covenant Not to Disparage. During the Restrictive Period and thereafter, Executive shall not disparage, denigrate or derogate in any way, directly or indirectly, the Company, any of its Subsidiaries or Affiliates, or any of its or their respective agents, officers, directors, employees, parent, subsidiaries, affiliates, Affiliated Practices, affiliated doctors (including any physicians who utilize or have invested in any Affiliated Practice), representatives, attorneys, executors, administrators, successors and assigns (collectively, the "Protected Parties"), nor shall Executive disparage, denigrate or derogate in any way, directly or indirectly, his/her experience with any Protected Party, or any actions or decisions made by any Protected Party.

(g) Remedies. Executive acknowledges and agrees that the covenants set forth in this Section 7 and the preceding Sections 5 and 6 (collectively, the “Restrictive Covenants”) are reasonable and necessary for the protection of the business interests of the Company and its Subsidiaries and Affiliates, that irreparable injury may result to the Company and its Subsidiaries and Affiliates if Executive breaches any of the terms of said Restrictive Covenants, and that in the event of Executive’s actual or threatened breach of any such Restrictive Covenants, the Company and its Subsidiaries and Affiliates will have no adequate remedy at law. Executive accordingly agrees that in the event of any actual or threatened breach by him of any of the Restrictive Covenants, the Company and its Subsidiaries and Affiliates shall be entitled to immediate temporary injunctive and other equitable relief subject to hearing as soon thereafter as possible. Nothing contained herein shall be construed as prohibiting the Company or any of its Subsidiaries or Affiliates from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of any damages which it is able to prove. In addition and supplementary to other rights and remedies existing in its (or their) favor, in the event of the material breach by Executive of any of the provisions of this Section 7, the Company (and/or its Subsidiaries or Affiliates) shall be entitled to require Executive to account for and pay over to the Company (and/or its Subsidiaries or Affiliates) all compensation, profits, moneys, accruals, increments or other benefits actually derived from or received as a result of any transactions constituting a breach of the covenants contained in this Agreement which may require Executive to repay any severance. In addition, in the event of an alleged breach or violation by Executive of this Section 7, the restricted periods set forth in this Section 7 shall be tolled until such breach or violation has been duly cured.

(h) Executive understands that the foregoing restrictions may limit his/her ability to earn a livelihood in a business similar to the business of the Company and its Subsidiaries or Affiliates, but he/she nevertheless believes that he/she has received and will receive sufficient consideration and other benefits as an executive of the Company and as otherwise provided hereunder to clearly justify such restrictions which, in any event (given his/her education, skills and ability), Executive does not believe would prevent him from otherwise earning a living. Executive acknowledges that the Restrictive Covenants are reasonable and that he/she has reviewed the provisions of this Agreement with his/her legal counsel. During the Restricted Period, Executive shall inform any prospective or future employer of any and all restrictions contained in this Agreement and provide such employer with a copy of such restrictions, prior to the commencement of that employment.

8. Executive’s Representations and Covenants.

(a) Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he/she is bound, (ii) Executive is not a party to or bound by any employment agreement, non-compete agreement or confidentiality agreement with any other person or entity and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges and represents that he/she has consulted with independent legal counsel regarding his/her rights and obligations under this Agreement and that he/she fully understands the terms and conditions contained herein.

(b) During the Employment Period and thereafter, Executive shall cooperate with the Company and its Subsidiaries and Affiliates in any internal investigation or administrative, regulatory or judicial proceeding as reasonably requested by the Company (including, without limitation, Executive being available to the Company upon reasonable notice for interviews and factual investigations, appearing at the Company’s request to give testimony without requiring service of a subpoena or other legal process, volunteering to the Company all pertinent information and turning over to the Company all relevant documents which are in or may come into Executive’s possession, all at times and on schedules that are reasonably consistent with Executive’s other permitted activities and commitments). In the event the Company requires Executive’s cooperation in accordance with this Section 8(b), the Company shall

reimburse Executive for reasonable travel expenses (including, without limitation, travel expenses, lodging and meals, and reasonable attorneys' fees upon submission of receipts).

9. Survival. Sections 4 through 22 shall survive and continue in full force in accordance with their terms notwithstanding the expiration or termination of the Employment Period.

10. Notices. Any notices provided for in this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, and addressed to Executive at his/her last known address on the books of the Company or, in the case of the Company, to it at its principal place of business, attention of the Chief Executive Officer, or to such other address as either party may specify by notice to the other actually received.

11. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. Complete Agreement. This Agreement, those documents expressly referred to herein and other documents of even date herewith, embody the complete agreement and understanding among Executive and the Company and its Subsidiaries and, as of the Effective Date, shall supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, including, for the avoidance of doubt, the Former Employment Agreement.

13. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto.

14. Counterparts. This Agreement may be executed in separate counterparts (including by facsimile or PDF signature pages), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

15. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company and its successors and permitted assigns. Executive may not assign any of his/her rights or obligations hereunder without the prior written consent of the Company. The Company may (a) assign any or all of its respective rights and interests hereunder to one or more Subsidiaries or Affiliates of the Company, (b) designate one or more Subsidiaries or Affiliates of the Company to perform its obligations hereunder (in any or all of which cases the Company nonetheless shall remain responsible for the performance of all of its obligations hereunder), (c) assign its rights hereunder in connection with the sale of all or a substantial part of the business or assets of the Company or one of its Subsidiaries (whether by merger, sale of stock or assets, recapitalization or otherwise) and (d) merge any of the Subsidiaries or Affiliates with or into the Company (or vice versa). The rights of the Company hereunder are enforceable by the Company or its Subsidiaries or Affiliates, which are the intended third party beneficiaries hereof and no other third party beneficiary is so otherwise intended.

16. Delivery by Facsimile or PDF. This Agreement and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or PDF, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto shall re-execute original forms thereof and deliver them to the other party. No party hereto shall raise the use of a facsimile machine or PDF to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile

machine or PDF as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

17. Income Tax Treatment. Executive and the Company acknowledge that it is the intention of the Company to deduct all cash amounts paid under this Agreement as ordinary and necessary business expenses for income tax purposes. Executive agrees and represents that he/she will treat all such non-reimbursable amounts as ordinary income for income tax purposes, and should he/she report such amounts as other than ordinary income for income tax purposes, he/she will indemnify and hold the Company harmless from and against any and all taxes, penalties, interest, costs and expenses, including reasonable attorneys' and accounting fees and costs, which are incurred by Company directly or indirectly as a result thereof.

18. Governing Law. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Agreement shall be governed by, the laws of the state in which Executive resides, without giving effect to provisions thereof regarding conflict of laws.

19. Waiver of Jury Trial. THE PARTIES HERETO HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THE PARTIES HERETO ALSO WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF THE OTHER PARTY. THE PARTIES HERETO ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE COMPANY AND EXECUTIVE FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH THEIR RESPECTIVE LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES THEIR RESPECTIVE JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTION CONTEMPLATED HEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

20. Consent to Jurisdiction.

(a) THE COMPANY AND EXECUTIVE HEREBY CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATE IN WHICH EXECUTIVE RESIDES AND IRREVOCABLY AGREE THAT SUBJECT TO THE COMPANY'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE LITIGATED IN SUCH COURTS. EXECUTIVE ACCEPTS FOR HIMSELF/HERSELF AND IN CONNECTION WITH HIS/HER PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT.

(b) Notwithstanding Section 20(a), the parties intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 5 through 7 upon the courts of any jurisdiction within the geographical scope of such covenants. If the courts of any one or more of such jurisdictions hold such covenants wholly or partially invalid or unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the parties that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other jurisdiction within the

geographical scope of such covenants, as to breaches of such covenants in such other respective jurisdictions, such covenants as they relate to each jurisdiction being, for this purpose, severable into diverse and independent covenants.

21. Amendment and Waiver. Any provision of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or course of dealing or failure or delay by any party hereto in enforcing or exercising any of the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement or be deemed to be an implied waiver of any provision of this Agreement.

22. Section 409A. To the maximum extent permitted by law, this Agreement shall be interpreted in such a manner that the payments to Executive under this Agreement are either exempt from, or comply with, Section 409A, including without limitation any such regulations or other guidance that may be issued after the date hereof. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" as defined below, as of Executive's termination of employment, then, to the extent any payment under this Agreement resulting from Executive's termination of employment constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A) and to the extent required by Section 409A, no payments due under this Agreement as a result of Executive's termination of employment may be made until the earlier of (a) the first day following the six-month anniversary of Executive's date of termination and (b) Executive's date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum as soon as reasonably practicable following the sixth month anniversary of Executive's date of termination. For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Treas. Reg. §1.409A-1(h) after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Treas. Reg. §409A-1(i).

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first written above.

SURGERY PARTNERS, INC.

By: /s/ Jennifer Baldock
Jennifer Baldock
Executive Vice President and Chief Legal Officer

Accepted and Agreed:

/s/ David Doherty

David Doherty

Date: January 7, 2022



SURGERY PARTNERS REAFFIRMS 2021 AND 2022 FULL YEAR GUIDANCE; DAVID T. DOHERTY TO ASSUME ROLE OF CHIEF FINANCIAL OFFICER ON FEBRUARY 1, 2022

BRENTWOOD, Tenn., January 10, 2022 (GLOBE NEWSWIRE) -- Members of management of Surgery Partners, Inc. (NASDAQ: SGRY) ("Surgery Partners" or the "Company"), a leading short-stay surgical facility owner and operator, will be meeting with investors today, January 10, 2022, as part of the 40th Annual J.P. Morgan Healthcare Conference, including a virtual presentation at 5:15 p.m. ET. Based on results through November 2021, the Company is re-affirming its 2021 Adjusted EBITDA guidance of \$325 million to \$330 million and its 2021 Revenue guidance of 19% to 21% growth over 2020 results. The Company completed the deployment of approximately \$185 million of capital in three acquisitions in December 2021, at a weighted average multiple of approximately 8.5x 2022E Adjusted EBITDA and is re-affirming its preliminary 2022 Adjusted EBITDA guidance of at least \$370 million.

Wayne DeVeydt, Executive Chairman of Surgery Partners, stated, "We could not be prouder of our team and our physician partners as they helped the Company navigate through another challenging year of this pandemic. As we have said before, the value of our high quality, short-stay surgical facilities was evident throughout this pandemic, and is increasingly viewed as the optimal option for many constituents of the healthcare system as we look to exit the pandemic."

Eric Evans, Chief Executive Officer of Surgery Partners, noted, "Although we are early in the process of closing out 2021, we remain confident in our ability to achieve strong Adjusted EBITDA results within our previously guided range of \$325 million to \$330 million for 2021. Having completed approximately \$325 million of acquisitions in 2021, three of which were completed in the last two weeks of December, we begin 2022 with confidence to continue the strong momentum of double-digit Adjusted EBITDA growth."

The Company also announced today that David T. Doherty, Senior Vice President, Corporate Finance and Controller at Surgery Partners, will assume the role of Chief Financial Officer, effective February 1, 2022. Tom Cowhey will be transitioning from his role as Chief Financial Officer to pursue a new opportunity. To ensure a smooth transition, Mr. Cowhey has agreed to remain with the Company through the end of February.

"Tom was an initial member of our transformational leadership team when we started our journey to make Surgery Partners the fastest growing and most valued surgical facility company in the country," said DeVeydt. "He has been a key member of our executive team, helping to build our sophisticated financial infrastructure, drive the Company's strategy and create significant shareholder value over his nearly four years with Surgery Partners. While I am disappointed to lose his talents, I could not be more excited for him and his family as he embarks on his next chapter. More importantly, he leaves a legacy of excellence with the appointment of Dave as our next Chief Financial Officer."

Speaking to the transition plans, Cowhey said, "I'm incredibly grateful for the opportunity that the Board, Wayne and Eric provided me to join them at a pivotal point in the Company's history and I'm exceptionally proud of what we have accomplished. My time at Surgery Partners has been one of the most rewarding chapters of my career, and I am confident that Dave is the right leader to help continue to drive the Company's strategic growth agenda."

“Our Company has been built on a culture of execution and anchored on a data driven approach to decision making,” said Evans. “Dave has played a critical role in building our culture and is a natural choice to assume the reigns as our new Chief Financial Officer. As Wayne commented, we will miss Tom who leaves us as a proud alum, but we are excited to have Dave join our Executive Leadership Team.”

Doherty joined Surgery Partners in April of 2018 and assumed the role of Senior Vice President, Corporate Finance and Controller in August of 2018, with oversight of investor relations, financial planning & analysis, internal audit, tax and controllership. Prior to Surgery Partners, he spent 15 years at Aetna, Inc. in a variety of roles including leadership of internal audit, planning, SEC reporting and controllership and as chief of staff to the Chief Financial Officer. He began his career with Arthur Andersen where he earned his CPA.

“I am honored and excited to step into this new role of Chief Financial Officer at Surgery Partners,” said Doherty. “I look forward to continuing to build on our achievements, strengthening our organization to better serve patients, payors and providers, and delivering strong financial performance and returns to our shareholders.”

About Surgery Partners

Headquartered in Brentwood, Tennessee, Surgery Partners is a leading healthcare services company with a differentiated outpatient delivery model focused on providing high-quality, cost-effective solutions for surgical and related ancillary care in support of both patients and physicians. Founded in 2004, Surgery Partners is one of the largest and fastest growing surgical services businesses in the country, with more than 180 locations in 31 states, including ambulatory surgery centers, surgical hospitals, multi-specialty physician practices and urgent care facilities.

Forward-Looking Statements

This press release contains forward-looking statements, including those regarding growth and our anticipated operating results for 2021 and 2022. These statements can be identified by the use of words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “continues,” “estimates,” “predicts,” “projects,” “forecasts,” “may,” “could,” and similar expressions. All forward looking statements are based on current expectations and beliefs as of the date of this release and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements, including but not limited to, continuing effects of the COVID-19 outbreak in the United States and the regions in which we operate; the impact to the state and local economies of restrictive orders, vaccine and other mandates and the pandemic generally; our ability to preserve or raise sufficient funds to continue operations; the impact of our cost-cutting measures on our future performance; our ability to cause distributions from our subsidiaries; the responsiveness of our payors, including Medicaid and Medicare, to the challenging operating conditions, including their willingness and ability to continue paying in a timely manner and to advance payments in a timely manner, if at all, the impact of COVID-19 related stimulus programs, including the CARES Act, and uncertainty in how these programs may be administered, monitored and modified in the future; our ability to execute on our operational and strategic initiatives; the timing and impact of our portfolio optimization efforts; our ability to continue to improve same-facility volume and revenue growth on the timeline anticipated, if at all; our ability to successfully integrate acquisitions; the anticipated impact and timing of our ongoing efficiency efforts, as well as our ongoing procurement and revenue cycle efforts, the impact of adverse weather conditions and other events outside of our control; and the risks and uncertainties set forth under the heading “Risk Factors” in our 2020 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021, and discussed from time to time in our reports filed with the Securities and Exchange Commission. Except as required by law, the Company undertakes no obligation to revise or update publicly any forward-looking statements to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events or circumstances.

In addition, the guidance for the fiscal year ended December 31, 2021 is based on results of the Company through November 2021 and is subject to quarter- and year-end adjustments in connection with the completion of customary financial closing procedures, including management's review and finalization of the results for the full year 2021 and to accounting review procedures by the Company's independent registered public accounting firm, which have not yet been performed. These customary closing procedures, along with December results and the risks identified above, could cause actual results to differ materially from management's guidance. You are cautioned not to rely on management's guidance being achieved when making an investment decision in the Company's securities.

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