

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Tactile Systems Technology, 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 all boxes that apply):

- No fee required
 - Fee paid previously with preliminary materials
 - Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11
-

Notice of Annual Meeting of Stockholders

VIRTUAL MEETING: The Annual Meeting will be held in a virtual meeting format only at www.virtualshareholdermeeting.com/TCMD2022.



TIME AND DATE:

9:00 a.m., CDT, Monday,
May 9, 2022



RECORD DATE:

March 14, 2022

ITEMS OF BUSINESS:

1. To elect seven directors
2. To ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022
3. To approve, on an advisory basis, the 2021 compensation of our named executive officers as disclosed in the accompanying Proxy Statement
4. To transact such other business as may properly come before the meeting or at any and all adjournments or postponements thereof

PROXY VOTING:



Over the Internet at www.proxyvote.com



Sign, date, and return your proxy card in the enclosed envelope to vote by mail.



Telephone by following the instructions on the proxy card.

We are pleased to take advantage of Securities and Exchange Commission rules that allow companies to furnish their proxy materials over the internet. We are mailing to many of our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") instead of a paper copy of our proxy materials and our 2021 Annual Report to Stockholders. The Notice contains instructions on how to access those documents and to cast your vote via the internet. The Notice also contains instructions on how to request a paper copy of our proxy materials and our 2021 Annual Report to Stockholders. All stockholders who do not receive a Notice will receive a copy of the proxy materials and the 2021 Annual Report to Stockholders. This process allows us to provide our stockholders with the information they need on a more timely basis, while reducing the environmental impact and lowering the costs of printing and distributing our proxy materials.

By Order of the Board of Directors,

Daniel L. Reuvers
Chief Executive Officer and Director

Minneapolis, Minnesota
March 28, 2022

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements included in this Proxy Statement regarding future performance and results, expectations, plans, strategies, priorities, commitments and other statements that are not historical facts are forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are based upon current beliefs, expectations and assumptions and are subject to significant risks, uncertainties and changes in circumstances that could cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the section titled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021. Readers of this Proxy Statement are cautioned not to place undue reliance on these forward-looking statements, since there can be no assurance that these forward-looking statements will prove to be accurate. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL STOCKHOLDERS MEETING TO BE HELD ON MAY 9, 2022: *This Proxy Statement and our 2021 Annual Report to Stockholders are available at www.proxyvote.com.*

PROXY STATEMENT

PROXY SUMMARY

Our Board of Directors (the “Board of Directors” or “Board”) has made this Proxy Statement and related materials available to you on the internet, or at your request has delivered printed versions to you by mail, in connection with the Board of Directors’ solicitation of proxies for our 2021 Annual Meeting of Stockholders (the “Annual Meeting”). If you requested printed versions of these materials by mail, they will also include a proxy card for the Annual Meeting.

This summary highlights information contained elsewhere in this Proxy Statement. It does not contain all of the information you should consider, and we urge you to read the entire Proxy Statement, as well as our 2021 Annual Report, before voting.


















Date, Time and Place of the Annual Meeting

 Date and Time May 9, 2022 9:00 a.m., Central time	 Virtual Meeting The Annual Meeting will be held in a virtual format only at www.virtualshareholdermeeting.com/TCMD2022	 Record Date March 14, 2022	 Mail Date March 28, 2022
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Items of Business to be Considered at the Annual Meeting












Voting Matters	Board Recommendation
To elect seven directors	FOR each Nominee
To ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022	FOR
To approve, on an advisory basis, the 2021 compensation of our named executive officers	FOR

CURRENT BOARD OF DIRECTORS

	Age	Director Since	Committee Memberships			
			Audit	Compensation and Organization	Compliance and Reimbursement	Nominating and Corporate Governance
Bill Burke* <i>Independent</i> President, Austin Highlands Advisors, LLC	62	2015				
Valerie Asbury <i>Independent</i> Former President and Chief Executive Officer, LifeScan, Inc.	62	2022				
Sheri Dodd <i>Independent</i> Vice President and General Manager, Medtronic plc	56	2021				
Raymond Huggenberger <i>Independent</i> Former Chief Executive Officer, Inogen, Inc.	63	2017				
Deepti Jain <i>Independent</i> Former President, IngenioRx, Anthem, Inc.'s pharmacy benefit management division	54	2021				
Richard Nigon <i>Independent</i> Senior Vice President, Cedar Point Capital, Inc.	74	2012				
Daniel Reuvers President and Chief Executive Officer of the Company	59	2020				
Kevin Roche <i>Independent</i> Former General Counsel, UnitedHealth Group	71	2004				
Brent Shafer <i>Independent</i> Former Senior Advisor, Cerner Corporation	64	2022				
Peter Soderberg <i>Independent</i> Managing Partner, Worthy Venture Resources, LLC	75	2012				

 Member  Chair * Chairman of the Board

DIRECTOR SKILLS AND EXPERIENCE

	Current or Prior CEO	6/10
	Senior Leadership Role	10/10
	Healthcare Industry	10/10
	Medical Device Industry	7/10
	Regulatory Matters	6/10
	M&A	7/10
	Strategic Planning	8/10
	Cybersecurity, Technology, Systems or IP	6/10
	Risk Management	5/10
	Sales & Marketing	7/10
	International	7/10

BOARD DIVERSITY MATRIX (AS OF MARCH 14, 2022)**Board Size:**

Total Number of Directors	10	
Gender:	Male	Female
Number of directors based on gender identity	7	3
Number of directors who identify in any of the categories below:		
Asian	0	1
White	7	2

CORPORATE GOVERNANCE HIGHLIGHTS

- 6 of 7 Director Nominees are Independent
- Fully Independent Board Committees
- Independent Chairman of the Board
- Annual Election of All Directors
- Annual Board and Committee Evaluations
- Board Oversight of Environmental, Sustainability and Social Matters
- Single Class Voting Structure (One Share, One Vote)
- Supplemental Code of Ethics for Senior Financial Officers
- No Supermajority Voting Requirements
- No Shareholder Rights Plan (Poison Pill)
- Code of Business Conduct and Ethics Applicable to All Employees and Directors
- Extensive Board Oversight of Risk Management
- Non-Employee Directors Regularly Meet Without Management Present

EXECUTIVE COMPENSATION HIGHLIGHTS

- Pay for Performance
- Provide Limited Executive Perquisites
- Maintain Stock Ownership Guidelines for Our Directors and Executive Officers
- Provide No Excise Tax Gross-Ups
- Require Termination of Employment in Addition to a Change in Control for Accelerated Equity Vesting (Double Trigger)
- Require Restrictive Covenant Agreement for Participation in Severance Plan
- Prohibit Hedging or Pledging of Company Stock
- Engage Independent Compensation Consultant
- Establish Challenging Performance Goals in Incentive Plans
- Maintain a Clawback Policy

PROPOSAL 1: ELECTION OF DIRECTORS

Our Board of Directors is not divided into classes and each director serves for a one-year term until the next annual meeting of stockholders. Our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in an election of directors. Vacancies on the Board of Directors, resulting from any cause, and newly created directorships resulting from any increase in the number of directors, are filled exclusively by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and not by stockholders. A director elected by the Board of Directors to fill a vacancy shall hold office for the remainder of that term and until the director's successor is duly elected and qualified or until his or her earlier resignation, death, or removal.

Based on the recommendation of the Nominating and Corporate Governance Committee of the Board of Directors, the Board of Directors' nominees for election by the stockholders at the Annual Meeting are seven of the current directors: Bill Burke, Valerie Asbury, Sheri Dodd, Raymond Huggenberger, Deepti Jain, Daniel Reuvers, and Brent Shafer. If elected, each nominee will serve as a director until the Annual Meeting of Stockholders in 2023 and until his or her successor is duly elected and qualified, subject to his or her earlier death, resignation or removal. Proxies cannot be voted for a greater number of persons than seven, which is the number of nominees named in this Proxy Statement. Ms. Asbury and Mr. Shafer were elected as directors by our Board of Directors, effective as of January 5, 2022. Ms. Asbury and Mr. Shafer were identified by a third-party search firm.

The names of and certain information about the nominees for director are set forth below. There are no family relationships among any of our directors, nominees or executive officers.

It is intended that the proxy in the form presented will be voted, unless otherwise indicated, for the election of the director nominees to the Board of Directors. If any of the nominees should for any reason be unable or unwilling to serve at any time prior to the Annual Meeting, the proxies will be voted for the election of such substitute nominee as the Board of Directors may designate.

NOMINEES FOR DIRECTOR

Set forth below are the biographies of each nominee for director, as well as a discussion of the particular experience, qualifications, attributes, and skills that led our Board of Directors to conclude that each person nominated to serve should serve as a director. In addition to the information presented below, we believe that each director meets the minimum qualifications established by the Nominating and Corporate Governance Committee of our Board of Directors.



Bill Burke

Chairman of the Board of Directors

Age: 62

Director Since: 2015

Board Committees: Nominating and Corporate Governance Committee

Professional Background and Experience

Austin Highlands Advisors, LLC.

- Since November 2015, has served as President of Austin Highlands Advisors, LLC, a provider of corporate advisory services.

IDEV Technologies

- Served as Executive Vice President and Chief Financial Officer of IDEV Technologies, a peripheral vascular devices company, from November 2009 until the company was acquired by Abbott Laboratories in August 2013.

ReAble Therapeutics

- From August 2004 to December 2007, served as Executive Vice President and Chief Financial Officer of ReAble Therapeutics, a diversified orthopedic device company that was sold to The Blackstone Group in a going private transaction in 2006 and subsequently merged with DJO Incorporated in November 2007. Mr. Burke remained with ReAble until June 2008.

Cholestech Corporation

- From 2001 to 2004, served as Chief Financial Officer of Cholestech Corporation, a medical diagnostic products company.

Mr. Burke has served on the board of directors of numerous public and private companies. He currently serves on the boards of Adtalem Global Education Inc. (NYSE: ATGE), and EQ Health Acquisition Corp. (NYSE: EQHA). He previously served on the board of directors of Invuity, Inc. (acquired by Stryker Corporation in October 2018), LDR Holding Corporation (acquired by Zimmer Biomet in July 2016) and Medical Action Industries (acquired by Owens & Minor in October 2014).

We believe Mr. Burke is qualified to serve on our Board of Directors because of his business experience with other medical technology companies and his experience as Chief Financial Officer of other companies, including other publicly traded companies.



Valerie Asbury

Age: 62
Director Since: 2022

Board Committees: Audit Committee/
Compliance and Reimbursement Committee

Professional Background and Experience

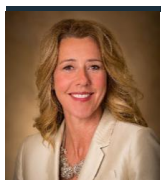
LifeScan, Inc.

- Has served as President and Chief Executive Officer of LifeScan, Inc., a diagnostic systems manufacturer with products focusing on the diabetes market, since October 2018.

Johnson & Johnson

- Prior to October 2018, LifeScan was a subsidiary of Johnson & Johnson. Ms. Asbury held various positions at Johnson & Johnson beginning in 1998, serving in various leadership roles of increasing responsibility across five different medical device and pharmaceutical divisions, including 10 years in the diabetes consumer medical device space, where she focused on strategic growth and talent development. Her most recent positions at Johnson & Johnson were Global President, Diabetes Solutions from 2013 to 2018, including the Global LifeScan subsidiary until its sale in October 2018.

We believe Ms. Asbury is qualified to serve on our Board of Directors because of her extensive industry and leadership experience.



Sheri Dodd

Age: 56
Director Since: 2021

Board Committees: Compensation and Organization Committee/
Nominating and Corporate Governance Committee

Professional Background and Experience

Medtronic Care Management Services

- Serves as Vice President and General Manager, leading the Medtronic Care Management Services' remote patient monitoring business.
- Joined in March 2010 and has served in Vice President positions, including healthcare economics and market access, clinical research, and general management for the non-intensive diabetes therapies business and the remote patient monitoring business.

Johnson & Johnson

- From November 1997 until March 2010, held various positions in both pharmaceutical and medical devices, most recently as a Vice President of health economics and reimbursement.

Orthopedic Surgeons, plc

- Served as an outcomes researcher from January 1995 until November 1997.

World Health Organization

- Served as a project coordinator May 1988 until September 1993.

We believe Ms. Dodd is qualified to serve on our Board of Directors because of her business experience in clinical and healthcare economics, reimbursement and home-based remote patient monitoring.

Proposal 1: Election of Directors



Raymond Huggenberger

Age: 63
Director Since: 2017

Board Committees: Compensation and Organization Committee (Chair)/
Compliance and Reimbursement Committee

Professional Background and Experience

Inogen, Inc.

- Served as a member of the board of directors of Inogen, Inc. (Nasdaq: INGN) from 2008 to December 2021. Mr. Huggenberger served as Inogen’s Chief Executive Officer from 2008 to February 2017 and also served as Inogen’s President from 2008 until January 2016.

Sunrise Medical Inc.

- Prior to joining Inogen, Mr. Huggenberger held various management positions with Sunrise Medical Inc., a global manufacturer and distributor of durable medical equipment, culminating as its President and Chief Operating Officer.

Mr. Huggenberger currently serves on the board of directors of Intricon Corporation (Nasdaq: IIN), a medical technology company. Mr. Huggenberger also serves on the board of directors of private companies Sommetrics, a medical device company, Avation Medical, a medical device company, and previously served on the board of directors of IYIA Technologies, Inc., a healthcare company, as well as device company Ebb Therapeutics.

We believe Mr. Huggenberger is qualified to serve on our Board of Directors because of his management experience and service on other boards.



Deepti Jain

Age: 54
Director Since: 2021

Board Committees: Audit Committee/
Compliance and Reimbursement Committee

Professional Background and Experience

Anthem

- Served as the President of Anthem’s pharmacy benefit management division, IngenioRx, through November 2020, and was responsible for all functions including sales and account management, clinical programs, operations, client analytics, financial performance, underwriting, internal audit coordination, compliance, and market strategy. Ms. Jain served as the Vice President and Chief Operating Officer of Anthem Pharmacy Solutions from 2014 to 2015, as the Senior Vice President and Chief Operating Officer of Anthem Pharmacy Solutions from 2016 to 2018, and as President of IngenioRx from 2019 through November 2020.

Medco Health Solutions, Inc.

- Prior to that, held various positions with Medco Health Solutions Inc., between 1998 and 2012, most recently as Chief Financial Officer and Senior Vice President of Finance for the health plan division.

Catholic Medical Center

- Also served as a systems manager for Catholic Medical Center from 1996 until 1998.

We believe Ms. Jain is qualified to serve on our Board of Directors because of her business experience, particularly with benefits management and health plan matters, and her industry experience.



Daniel Reuvers
President and Chief Executive Officer of the Company

Age: 59
 Director Since: 2020

Board Committees: N/A

Professional Background and Experience

Tactile Systems Technology, Inc.

- Has served as President, Chief Executive Officer and a Director of the Company since June 2020.

Integra LifeSciences Corporation

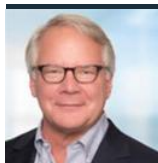
- Served as the Executive Vice President and President, Codman Specialty Surgical, since December 2016. His responsibilities there included global sales, marketing, product development, quality and regulatory, and service and repair.
- Joined in 2008 as Vice President of Marketing & Product Development for the company’s surgical instrument business, and held a series of roles with progressively increased responsibility. Among his accomplishments there, he led the \$1B acquisition and integration of the Codman business from Johnson & Johnson.

Advanced Respiratory and Omni-Tract Surgical

- Served as President, both resulting in acquisitions by Hill-Rom and Integra, respectively.

Mr. Reuvers served on the board of Respirtech, Inc. for 10 years, until their acquisition by Philips.

We believe Mr. Reuvers is qualified to serve on our Board of Directors because of his extensive commercial and general management experience in the medtech industry.



Brent Shafer

Age: 64
 Director Since: 2022

Board Committees: Audit Committee/Compensation and Organization Committee/Nominating and Corporate Governance Committee

Professional Background and Experience

Cerner Corporation

- Has served as a Senior Advisor to Cerner Corporation (“Cerner”), which develops and sells software systems to the healthcare industry, since October 2021. Previously, Mr. Shafer was the Chairman and Chief Executive Officer of Cerner from February 2018 until October 2021.

Philips

- Served as Chief Executive Officer of Philips North America, a health technology company, and the North American division of Koninklijke Philips N.V. (“Philips”) from February 2014 until 2018. In that position, Mr. Shafer oversaw a health technology portfolio that included a broad range of solutions and services covering patient monitoring, imaging, clinical informatics, sleep and respiratory care as well as a group of market-leading consumer-oriented brands, and he played a key role in helping Philips develop and strengthen its health care focus. Prior to that, Mr. Shafer served as Chief Executive Officer of the global Philips’ Home Healthcare Solutions business from May 2010 until May 2014, as Chief Executive Officer of the North America region for Royal Philips Electronics from January 2009 until May 2010, and as president and Chief Executive Officer of the Healthcare Sales and Service business for Philips North America from May 2005 until May 2010.

We believe that Mr. Shafer is qualified to serve on our Board of Directors because of his extensive industry and leadership experience.

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Proposal 1: Election of Directors

Board of Directors' Recommendation

The proposal for the election of directors relates solely to the election of the directors nominated by the Board of Directors.

The Board of Directors recommends that stockholders vote FOR the election of each of the director nominees listed above.

CORPORATE GOVERNANCE

DIRECTOR INDEPENDENCE

Our Board of Directors has determined that all members of the Board of Directors, except Daniel Reuvers, are independent, as determined in accordance with the rules of the Nasdaq Stock Market. In making such independence determination, the Board of Directors considered the relationships that each such non-employee director has with our Company and all other facts and circumstances that the Board of Directors deemed relevant in determining their independence.

BOARD LEADERSHIP STRUCTURE

The positions of our Chairman of the Board and Chief Executive Officer are presently separated. Separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board to lead the Board of Directors in its fundamental role of providing advice to, and independent oversight of, management. Our Board of Directors recognizes the time, effort and energy that the Chief Executive Officer must devote to his position in the current business environment, as well as the commitment required to serve as our Chairman, particularly as the Board of Directors' oversight responsibilities continue to grow. Our Board of Directors also believes that this structure ensures a greater role for the non-management directors in the oversight of our Company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of our Board of Directors. Although our By-Laws and Corporate Governance Guidelines do not require our Chairman of the Board and Chief Executive Officer positions to be separate, our Board of Directors believes that having separate positions is the appropriate leadership structure for the Company at this time.

STOCKHOLDER COMMUNICATIONS

Any stockholder wishing to communicate with our Board of Directors or a particular director may do so by writing to the Board or a particular director in care of the Corporate Secretary of the Company at our principal executive offices. All communications will initially be received and processed by the Corporate Secretary, who will then refer the communication to the appropriate Board member.

PROCEDURES FOR SELECTING AND NOMINATING DIRECTOR CANDIDATES

Stockholders may directly nominate a person for election to our Board of Directors by complying with the procedures set forth in Section 2.4 of our By-Laws and with SEC rules and regulations. Under our By-Laws, only persons nominated in accordance with the procedures set forth in the By-Laws will be eligible to serve as directors. In order to nominate a candidate for service as a director, you must be a stockholder at the time that you give the Board notice of your nomination, and you must be entitled to vote for the election of directors at the meeting at which your nominee will be considered. In accordance with our By-Laws, director nominations generally must be made pursuant to notice delivered

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Corporate Governance

to, or mailed and received at, our principal executive offices, not later than the 90th day, nor earlier than the 120th day, prior to the first anniversary of the prior year's Annual Meeting of Stockholders. For further information, see "Questions and Answers About the Annual Meeting – *What is the deadline for submitting a stockholder proposal for the 2023 annual meeting?*" Your notice must set forth all information relating to the nominee that is required to be disclosed in solicitations of proxies for the election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including the nominee's written consent to being named in the Proxy Statement as a nominee and to serving as a director if elected). Your notice also must set forth certain information for you and any beneficial owner on whose behalf you make a nomination, as described in the By-Laws.

As required by our Corporate Governance Guidelines, when evaluating the appropriate characteristics of candidates for service as a director, the Nominating and Corporate Governance Committee takes into account many factors. The Board of Directors selects and recommends to stockholders qualified individuals who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for us. Board candidates are considered based on various criteria, including breadth and depth of relevant business and board skills and experiences, judgment and integrity, reputation, diversity (including geographic, occupational, gender, race and age), education, leadership ability, independence, the ability to devote sufficient time to the Board and knowledge of the Company's industry. These considerations are made in the context of an assessment of the perceived needs of our Board of Directors at the particular point in time.

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders in the same manner that it considers all director candidates. Stockholders who wish to suggest qualified candidates should write to Tactile Systems Technology, Inc., 3701 Wayzata Boulevard, Suite 300, Minneapolis, Minnesota 55416, Attention: Corporate Secretary. Any such recommendation should include a description of the candidate's qualifications for board service; the candidate's written consent to be considered for nomination and to serve if nominated and elected; and addresses and telephone numbers for contacting the stockholder and the candidate for more information.

BOARD MEETINGS AND COMMITTEES

Our Board of Directors held nine meetings during 2021. The independent directors regularly hold executive sessions at meetings of the Board of Directors. During 2021, each of the directors then in office attended at least 75% of the aggregate of all meetings of the Board of Directors and all meetings of the committees of the Board of Directors on which such director then served. Directors are expected to attend the annual meetings of stockholders of the Company, as provided in our Corporate Governance Guidelines. All continuing directors at that time attended the 2021 Annual Meeting of Stockholders.

Audit Committee

Our Board of Directors has determined that each member of the Audit Committee is "independent" for Audit Committee purposes as that term is defined in the rules of the SEC and the applicable Nasdaq Stock Market rules. Our Board of Directors has determined that each Mr. Nigon and Ms. Jain is an Audit Committee financial expert, as defined under the applicable rules of the SEC. Each of the members of our Audit Committee meets the requirements for financial literacy and possesses the financial qualifications required under the applicable rules and regulations of the SEC and the Nasdaq Stock Market.

Committee Members	Primary Responsibilities	# of Meetings in 2021
Richard Nigon (Chair) Valerie Asbury Deepti Jain Kevin Roche Brent Shafer	<ul style="list-style-type: none"> ● Appointing, compensating, retaining, replacing and overseeing our independent auditor; ● Pre-approving all audit and permitted non-audit services to be provided by our independent auditor; ● Assisting our Board of Directors in its oversight of our financial statements and other financial information to be provided by us; ● Overseeing our compliance with legal and regulatory matters and aspects of our risk management processes; ● Discussing with management and our independent auditors any major issues as to the adequacy of our internal controls, any actions to be taken in light of significant or material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; and ● Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. 	6

The Audit Committee operates under a written charter approved by the Board, a copy of which is available in the “Investors—Corporate Governance” section of our website at www.tactilemedical.com.

Corporate Governance

Compensation and Organization Committee

Our Board of Directors has determined that each member of the Compensation and Organization Committee is “independent” as that term is defined in the rules of the SEC and the applicable Nasdaq Stock Market rules.

Committee Members	Primary Responsibilities	# of Meetings in 2021
Raymond Huggenberger (Chair) Sheri Dodd Richard Nigon Brent Shafer	<ul style="list-style-type: none">● Determining the compensation of our Chief Executive Officer and other executive officers;● Providing oversight of our compensation policies, plans and benefit programs;● Overseeing and administering our equity compensation plans;● Recommending to our Board of Directors the compensation arrangements for our non-employee directors;● Overseeing and reviewing our executive team and management succession planning; and● Reviewing the Company’s human capital management programs, policies, initiatives and results, including with respect to: talent management; culture; employee recruitment, training, development, promotion and retention; diversity and inclusion, equal employment opportunity and nondiscrimination; pay equity; and anti-harassment matters.	6

The Compensation and Organization Committee operates under a written charter approved by the Board, a copy of which is available in the “Investors—Corporate Governance” section of our website at www.tactilemedical.com.

Nominating and Corporate Governance Committee

Our Board of Directors has determined that each member of the Nominating and Corporate Governance Committee is “independent” as that term is defined in the applicable Nasdaq Stock Market rules.

Committee Members	Primary Responsibilities	# of Meetings in 2021
Peter Soderberg (Chair) Bill Burke Sheri Dodd Brent Shafer	<ul style="list-style-type: none">● Identifying qualified individuals to become Board members;● Determining the composition of the Board and its committees;● Assessing and enhancing the effectiveness of the Board and individual directors; and● Developing and implementing our Corporate Governance Guidelines.	4

The Nominating and Corporate Governance Committee operates pursuant to a written charter approved by the Board, a copy of which is available in the “Investors—Corporate Governance” section of our website at www.tactilemedical.com. A copy of our Corporate Governance Guidelines are also available in the “Investors—Corporate Governance” section of our website at www.tactilemedical.com.

The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and the Chief Executive Officer. Additionally, in selecting nominees for directors, the Nominating and

Corporate Governance Committee will review candidates recommended by stockholders in the same manner and using the same general criteria as candidates recruited by the Committee and/or recommended by the Board of Directors. Any stockholder who wishes to recommend a candidate for consideration by the Committee as a nominee for director should follow the procedures described above under “Procedures for Selecting and Nominating Director Candidates.” The Nominating and Corporate Governance Committee will also consider whether to nominate any person proposed by a stockholder in accordance with the provisions of our By-Laws relating to stockholder nominations as described earlier in this Proxy Statement under the heading “Questions and Answers About the Annual Meeting – *What is the deadline for submitting a stockholder proposal for the 2023 annual meeting?*”

Compliance and Reimbursement Committee

Our Board of Directors has determined that each member of the Compliance and Reimbursement Committee is “independent” as that term is defined in the applicable Nasdaq Stock Market rules.

Committee Members	Primary Responsibilities	# of Meetings in 2021
Kevin Roche (Chair) Valerie Asbury Raymond Huggenberger Deepti Jain	<ul style="list-style-type: none"> Assisting the Board of Directors in overseeing our regulatory compliance activities; Monitoring and evaluating our compliance with regulatory requirements to which we are subject; and Overseeing our objectives, policies and efforts related to corporate responsibility matters, including sustainability, environmental, corporate citizenship, social, political and public policy issues and developments. 	5

The Compliance and Reimbursement Committee operates under a written charter approved by the Board, a copy of which is available in the “Investors—Corporate Governance” section of our website at www.tactilemedical.com.

RISK OVERSIGHT

Our Board of Directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our Board of Directors performs this oversight role by using several different levels of review. In connection with its reviews of the operations and corporate functions of our Company, our Board of Directors addresses the primary risks associated with those operations and corporate functions. In addition, our Board of Directors reviews the risks associated with our Company’s business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Each of our Board committees also coordinates oversight of the management of our risk that falls within the committee’s areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Chief Financial Officer is responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. In connection with its risk management role, our Audit Committee meets privately with representatives from our independent registered public accounting firm, and privately with our Chief Financial Officer. In addition, the Compensation and Organization Committee reviews the Company’s compensation program and risk elements to the Company in connection with the structure of the compensation plan.

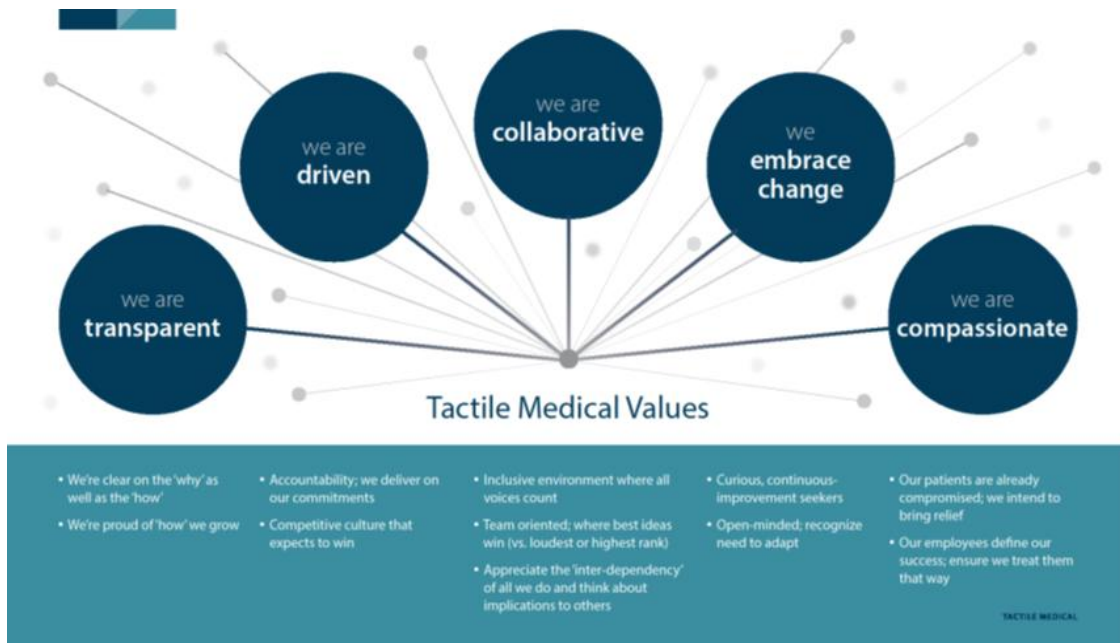
BOARD EVALUATIONS

On an annual basis, the Nominating and Corporate Governance Committee leads a comprehensive evaluation process of the Board. Each director completes questionnaires covering matters related to the performance of the full Board and each standing committee. At the request of the Chair of the Nominating and Corporate Governance Committee, outside counsel reviews and prepares a summary of the completed questionnaires. The Nominating and Corporate Governance Committee reviews and discusses the results of the questionnaires, and reports the results to the full Board, which further reviews and discusses the results of the evaluations.

ENVIRONMENTAL, SOCIAL & GOVERNANCE MATTERS

At Tactile Medical, our mission is to help people suffering from chronic disease live better and care for themselves at home. As reflected in our Code of Business Conduct and Ethics, our company is customer-focused and mission-driven. Our unique offering includes advanced, clinically proven pneumatic compression devices, as well as continuity of care services provided by a national network of product specialist and trainers, reimbursement experts, patient advocates and clinical staff. This combination of products and services ensures that tens of thousands of patients annually receive the at-home treatment necessary to better manage their chronic conditions. In addition to improving the quality of life for patients with chronic conditions, our solutions help increase clinical efficacy and reduce overall healthcare costs.

The Company’s core values are the foundation upon which we conduct our business and interactions with patients, healthcare professionals, caregivers, business partners, shareholders, communities, and one another. Guiding the work we do every day and influencing business aspirations, our people take pride in the fact that:



Tactile Medical is focused more than ever on continuous improvement and our active commitment to environmental, social, and corporate governance (“ESG”) matters. This dedication is exemplified in our corporate culture, starting at the top with our Board of Directors. Our Board is actively engaged in the oversight of the Company’s environmental and social initiatives. The Board reviews the Company’s performance and progress on each ESG objective and provides

guidance to management with respect to significant sustainability and corporate responsibility initiatives. In addition, our Compensation and Organization Committee and our Nominating and Corporate Governance Committee have oversight and review responsibilities related to human capital management and corporate responsibility matters, respectively.

Set forth below are the principal components of our Corporate Responsibility and Sustainability Strategy:

Human Capital Management	<ul style="list-style-type: none"> ● Attract top quality talent by expanding recruitment efforts and utilizing an applicant tracking system ● Evaluate employee salaries to ensure fair and competitive compensation ● Offer a comprehensive benefits package to promote the health, productivity, and happiness of our employees ● Foster a culture of entrepreneurship, passion for our patients, and drive to excel in our market ● Encourage employee engagement and input ● Provide a work environment free from harassment, intimidation, and discrimination ● Drive employee growth and development through education and training, supervisory coaching, and annual performance reviews
Diversity, Equity & Inclusion	<ul style="list-style-type: none"> ● Embrace diversity and continue to create a culture of inclusion by supporting employee engagement, seeking feedback and providing training on diversity, equity, and inclusion specific to our organization ● Recruit diverse applicants with various experiences, perspectives, and ideas to facilitate innovation and a well-rounded Company ● Enforce our anti-discrimination policy and prohibit retaliation for reporting incidents ● Further our CEO Action for Diversity and Inclusion Pledge to advance diversity, equity, and inclusion in the work-place and encourage systemic change through self-evaluation, improvement, and transparency
Community Involvement & Social Responsibility	<ul style="list-style-type: none"> ● Participate in volunteer activities and engage in communities in which we work to support local initiatives ● Support awareness of chronic lymphatic, vascular, and pulmonary conditions and enhance access to care in underserved communities by providing charitable and educational grants to organizations and healthcare professionals consistent with our mission, values, and policies ● Fund and support continued clinical research to advance the treatment of chronic lymphatic, vascular, and pulmonary conditions treated by our devices, improve the lives of our patients, and lessen the financial burden on the healthcare system ● Support access to care for patients experiencing financial hardship with our patient assistance consideration program discounted and donated devices

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Corporate Governance

Ethics & Compliance	<ul style="list-style-type: none">● Apply our Code of Business Conduct and Ethics as the foundation for our compliance program, business operations, and employee behavior● Analyze and prioritize business risks through our enterprise risk assessment process● Supply training, resources, tools, and support to engage our employees and foster an ethical and open business culture rooted in our core values● Empower our employees, vendors, customers, and other stakeholders to hold us accountable without fear of retaliation by promoting open communication, requesting feedback, and providing multiple avenues to report potential issues and concerns including a designated email account and an anonymous hotline available 24/7
Privacy & Data Security	<ul style="list-style-type: none">● Maintain a robust data security program supported by regular security audits, with dedicated oversight by the Information Security Director, and regular reports to the Board● Uphold privacy policies, management oversight, accountability structures, security awareness training, and technology processes designed to protect privacy and personal data● Notify patients of their rights and use of personal information through our Notice of Privacy Practices provided in each order shipment and available on our website
Sustainable Sourcing	<ul style="list-style-type: none">● Prohibit human trafficking, exploitation, forced labor and slavery in our business operations, including our supply chain● Survey and audit our suppliers in accordance with our Quality Management System and supplier agreements to confirm suppliers are operating in conformity with our Supplier Code of Conduct● Work with our suppliers to meet standards and requirements in the event gaps are identified
Responsible Operations	<ul style="list-style-type: none">● Integrate safety into all activities to reduce illness and injuries through the establishment of well-defined safety, health, and environmental policies and procedures and ongoing training● Review post market product quality to ascertain opportunities for advancement● Identify areas of development during performance improvement assessments for continuous product and service enhancement● Minimize the risk of business disruptions by annually reviewing our Business Continuity and Disaster Recovery Plan to assess suitability and revise when appropriate● Monitor and assess local conditions across the country that may impede the ability of our patients to receive their device timely and educate our patients on how to plan for an emergency as part of our patient welcome materials● Promote the values of equality, dignity, and respect in business operations consistent with our Human Rights Policy

We understand the importance of being a responsible corporate citizen and the value of providing transparency to our employees, patients, business partners, and shareholders. Further information on our ESG initiatives can be found in our Corporate Responsibility and Sustainability Report, which is available in the “Investors – Corporate Governance” section of our website at www.tactilemedical.com.

DIRECTOR COMPENSATION

The following table presents the compensation for each person who served as a member of our Board of Directors during 2021, other than Mr. Reuvers. Mr. Reuvers, who is also our Chief Executive Officer, receives no compensation for his service as a director. The compensation received by Mr. Reuvers during 2021 is presented in the 2021 Summary Compensation Table.

2021 DIRECTOR COMPENSATION TABLE

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Total (\$)
Bill Burke	88,710	129,978	218,688
Raymond Huggenberger	62,177	129,978	192,155
Richard Nigon	71,559	129,978	201,537
Sheri Dodd	57,500	174,096	231,596
Deepti Jain	60,000	174,096	234,096
Kevin Roche	65,000	129,978	194,978
Peter Soderberg	73,817	129,978	203,795

- (1) During 2021, each non-employee director could elect to receive between 10% and 100% of their aggregate cash retainers in the form of restricted stock units (“RSUs”), with the number of RSUs calculated by dividing the amount of the retainer payable on a certain date by the closing sale price per share of our common stock on the date of grant. During 2021, no director elected to receive RSUs, and there were no RSUs issued to non-employee directors, in lieu of their quarterly cash retainer amount.
- (2) Amounts shown represent the aggregate grant date fair value, computed in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718, of awards of RSUs granted in 2021. On May 17, 2021, the date of our 2021 Annual Meeting of Stockholders, we granted each non-employee director at the time 2,490 RSUs, which will vest in full on the earlier of one year from the grant date or the date of the 2022 Annual Meeting. Ms. Dodd and Ms. Jain were both granted an additional 855 RSUs on February 25, 2021, which vested on the date of the 2021 Annual Meeting.

The aggregate number of RSUs and shares subject to stock options outstanding at December 31, 2021 for each non-employee director was as follows:

Name	Aggregate Number of RSUs Held as of December 31, 2021	Aggregate Number of Stock Options Held as of December 31, 2021
Bill Burke ⁽¹⁾	2,490	3,713
Raymond Huggenberger ⁽²⁾	2,490	7,175
Richard Nigon ⁽³⁾	6,277	24,474
Sheri Dodd ⁽⁴⁾	2,490	—
Deepti Jain ⁽⁵⁾	2,490	—
Kevin Roche ⁽⁶⁾	2,490	3,713
Peter Soderberg ⁽⁷⁾	5,172	95,394

- (1) As of December 31, 2021, Mr. Burke held 2,490 RSUs and options to purchase an aggregate of 3,713 shares of common stock, all of which were vested.

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Director Compensation

- (2) As of December 31, 2021, Mr. Huggenberger held 2,490 RSUs and options to purchase an aggregate of 7,175 shares of common stock, all of which were vested.
- (3) As of December 31, 2021, Mr. Nigon held 6,277 RSUs, 3,787 of which were vested and had deferred settlement, and options to purchase an aggregate of 24,474 shares of common stock, all of which were vested.
- (4) As of December 31, 2021, Ms. Dodd held 2,490 RSUs.
- (5) As of December 31, 2021, Ms. Jain held 2,490 RSUs.
- (6) As of December 31, 2021, Mr. Roche held 2,490 RSUs and options to purchase an aggregate of 3,713 shares of common stock, all of which were vested.
- (7) As of December 31, 2021, Mr. Soderberg held 5,172 RSUs, 2,682 of which were vested and had deferred settlement, and options to purchase an aggregate of 95,394 shares of common stock, all of which were vested.

In 2021, our non-employee directors received cash compensation as follows:

Non-Employee Director Compensation Element	Payment	
Board Service (Annual Cash Retainer)		
All Members	\$45,000	
Additional Amount for the Chairman of the Board	\$50,000	
Committee Service (Annual Cash Retainer)		
	Member	Chair
Audit Committee	\$10,000	\$20,000
Compensation and Organization Committee	\$7,500	\$15,000
Nominating and Corporate Governance Committee	\$5,000	\$10,000
Compliance and Reimbursement Committee	\$5,000	\$10,000

Non-employee directors may elect to receive between 10% and 100% of their aggregate annual cash retainers in the form of RSUs, with the number of RSUs calculated by dividing the amount of the retainer payable on a certain date by the closing sale price per share of our common stock on the date of grant. These RSUs are fully vested upon grant and represent the right to receive one share of our common stock for each RSU upon the earlier of the director's separation from service as a director of ours or the occurrence of a change in control of our Company.

We also reimburse our directors for their reasonable out-of-pocket expenses incurred in connection with attending our board and committee meetings.

In addition, on the date of the 2021 Annual Meeting of Stockholders, each of our non-employee directors received an annual equity award of RSUs that had a value of \$130,000, with the number of RSUs calculated by dividing \$130,000 by the closing sale price per share of our common stock on the date of grant.

These RSUs will vest in full on the earlier of one year after the date of grant or the date of the next year's annual meeting of stockholders, provided the director remains a member of the board as of the vesting date.

Our Stock Ownership Guidelines (the "Guidelines") apply to our non-employee directors, as well as our executive officers. For a description of the provisions of the Guidelines applicable to our executive officers, see "Executive Compensation—Compensation Discussion and Analysis—Stock Ownership Guidelines". Under the Guidelines, each non-employee director is expected to own shares of our common stock with a value at least equal to five times the annual Board cash retainer (not including any chair or committee retainers). Shares owned directly and indirectly, as well as full-value equity awards (such as RSUs) with only a time-based vesting condition, count toward the ownership level under the Guidelines, but shares subject to vested or unvested stock options and equity awards with a performance-based vesting condition do not count toward the ownership level under the Guidelines.

The applicable ownership level is to be achieved by our directors within the later of December 9, 2026 or five years of when he or she becomes subject to the Guidelines. Until a director has achieved the applicable ownership level, he or she must retain at least 50% of the “net profit shares” resulting from any stock option exercise or from the exercise, vesting or settlement of any other form of equity-based compensation award. “Net profit shares” refers to that portion of the number of shares subject to the exercise, vesting or settlement of an award that the director would receive had he or she authorized us to withhold shares otherwise deliverable in order to satisfy any applicable exercise price. Each of our non-employee directors either complies with, or is making progress within the permitted time period to comply with, the stock ownership level applicable to him or her under the Guidelines.

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022. Our Board of Directors recommends that stockholders vote for ratification of this appointment. If this proposal is not approved at the Annual Meeting, the Audit Committee will reconsider its appointment, but may decide not to direct the appointment of a different independent registered public accounting firm. Even if the appointment is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in our stockholders' best interests.

Grant Thornton LLP has audited our financial statements for each year since the year ended December 31, 2015. We expect representatives of Grant Thornton LLP to be present at the Annual Meeting and available to respond to appropriate questions. They will have the opportunity to make a statement if they desire to do so.

Board of Directors' Recommendation

The Board of Directors recommends that stockholders vote FOR ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022.

AUDIT MATTERS

AUDITOR FEES

The following table sets forth fees billed for professional audit services and other services rendered to the Company by Grant Thornton LLP and its affiliates for our fiscal years ended December 31, 2021 and 2020.

	Year Ended December 31,	
	2021	2020
Audit Fees	\$ 515,618	\$ 464,880
Audit-Related Fees	155,480	—
Tax Fees	—	—
All Other Fees	—	—
Total	\$ 671,098	\$ 464,880

Audit Fees. Audit fees consist of fees billed for professional services performed by Grant Thornton LLP for the audit of our annual financial statements, the review of interim financial statements, the audit of the effectiveness of our internal control over financial reporting and services that are normally provided in connection with registration statements. Audit fees for 2020 also include \$10,400 for professional services rendered in connection with our registration statement on Form S-8 and \$26,000 for professional services rendered in connection with certain reviews necessary to complete the audit of our annual financial statements.

Audit-Related Fees. Audit-Related Fees in 2021 consist of fees for due diligence services provided in connection with our acquisition of AffloVest in 2021. There were no such fees incurred in 2020.

Tax Fees. There were no such fees incurred in 2021 or 2020.

All Other Fees. There were no such fees incurred in 2021 or 2020.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES

It is the policy of our Audit Committee that all services to be provided by our independent registered public accounting firm, including audit services and permitted audit-related and non-audit services, must be approved in advance by our Audit Committee. Under the policy, the Chairman of the Audit Committee has also been delegated the authority to approve services up to a specified fee amount. The Chairman of the Audit Committee will report, for informational purposes only, any interim pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent registered public accounting firm to our management.

All Grant Thornton LLP services and fees were pre-approved in accordance with the policy described above. The fees for the year-end audit for the year ended December 31, 2021 were also approved by the Audit Committee.

AUDIT COMMITTEE REPORT

The Audit Committee assists the Board of Directors with the oversight of our financial reporting process. Management is responsible for our internal controls, financial reporting process, and compliance with laws and regulations and ethical business standards. Grant Thornton LLP is responsible for performing an independent audit of our consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), as well as auditing the effectiveness of the Company’s internal control over financial reporting. The Audit Committee’s main responsibility is to monitor and oversee this process.

The Audit Committee reviewed and discussed our audited financial statements for the year ended December 31, 2021, with management. The Audit Committee discussed with Grant Thornton LLP the matters required to be discussed by the applicable requirements of the PCAOB and the SEC. The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm’s communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the independent registered public accounting firm’s independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited 2021 financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2021, for filing with the SEC.

THE AUDIT COMMITTEE

Richard Nigon, Chair
Valerie Asbury
Deepti Jain
Kevin Roche
Brent Shafer

PROPOSAL 3: ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

We are providing our stockholders the opportunity to cast an advisory (non-binding) vote to approve the compensation of our named executive officers as disclosed in this Proxy Statement (commonly referred to as the “say-on-pay” vote). As described in the Compensation Discussion and Analysis (“CD&A”), we have designed the compensation arrangements for our named executive officers to provide compensation in overall amounts and in forms that attract and retain talented and experienced individuals and motivate our executive officers to achieve the goals that are important to our growth. Our Board and Compensation and Organization Committee believe that our executive compensation program is tied to performance, aligns with shareholder interests and merits stockholder support. Accordingly, the Board recommends that stockholders vote in favor of the following resolution:

“RESOLVED, that the stockholders approve, on an advisory basis, the compensation of the Company’s named executive officers, as disclosed in the Compensation Discussion and Analysis, the compensation tables, and the narrative discussion contained in this Proxy Statement.”

Because your vote is advisory, it will not be binding on the Board of Directors or the Compensation and Organization Committee. However, the Board of Directors and the Compensation and Organization Committee will carefully review the voting results. To the extent there is any significant negative vote on this proposal, we may consult directly with stockholders to better understand the concerns that influenced the vote. We currently hold our say-on-pay vote every year, so the next advisory vote on the compensation of our named executive officers will occur at our 2023 Annual Meeting of Stockholders. The next advisory vote regarding the frequency of future say-on-pay votes will occur at our 2025 Annual Meeting of Stockholders.

Board of Directors’ Recommendation

The Board of Directors recommends that stockholders vote FOR the approval of the compensation of our named executive officers.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This section discusses the material components of the executive compensation program offered to our named executive officers identified below. For 2021, our named executive officers were:

- Daniel L. Reuvers, Chief Executive Officer;
- Brent A. Moen, Chief Financial Officer;
- Eric C. Pauls, Senior Vice President, Sales; and
- Kristie T. Burns, Senior Vice President, Marketing and Clinical Affairs.

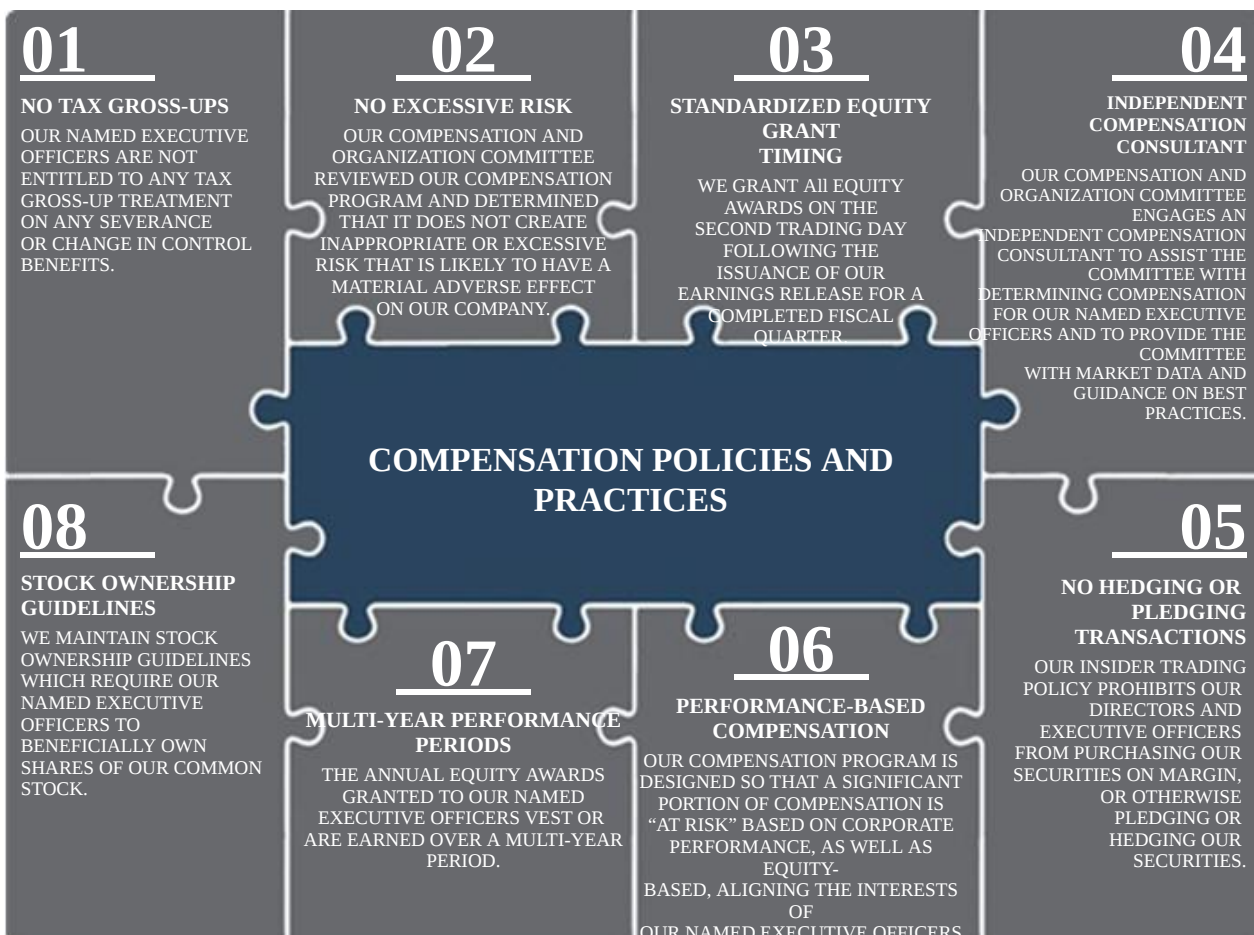
Compensation Objectives and Process

Our compensation programs are designed to:

- attract and retain individuals with superior ability and managerial experience;
- align executive officers' incentives with our corporate strategies, business objectives and the long-term interests of our stockholders; and
- increase the incentive to achieve key strategic performance measures by linking incentive award opportunities to the achievement of performance objectives and by providing a portion of total compensation for executive officers in the form of ownership in the Company.

Our Compensation and Organization Committee is primarily responsible for establishing and approving the compensation for all of our executive officers. The Compensation and Organization Committee oversees our compensation and benefit plans and policies, oversees and administers our equity incentive plans and reviews and approves annually all compensation decisions relating to all of our executive officers, including our Chief Executive Officer. The Compensation and Organization Committee considers recommendations from our Chief Executive Officer regarding the compensation of our executive officers other than himself. Our Compensation and Organization Committee has the authority under its charter to engage the services of a consulting firm or other outside advisor to assist it in designing our compensation programs and in making compensation decisions.

Our Compensation and Organization Committee also values the opinions of our stockholders, and it reviews and considers the outcome of our annual say-on-pay vote, along with other relevant factors, in evaluating the compensation program for the named executive officers. At our 2020 annual meeting, stockholders showed strong support for our executive compensation program, with approximately 98% of votes cast approving our advisory say-on-pay resolution. The Compensation and Organization Committee considered the strong level of stockholder support and made no material changes in our executive compensation program for 2021 as a result of the 2020 say-on-pay vote.



Use of Compensation Consultant and Market Comparisons

In connection with the Compensation and Organization Committee’s review of our 2021 executive compensation program, the Compensation and Organization Committee directly engaged Frederic W. Cook & Co., Inc. (“Cook”) as an outside compensation consultant to perform a review of executive compensation, including a market benchmarking assessment. Cook assisted the Compensation and Organization Committee with evaluating our compensation philosophy and providing guidance in administering our compensation program. Cook does not provide any other services to the Company. The Compensation and Organization Committee has determined that the work of Cook has not raised any conflict of interest.

The Compensation and Organization Committee reviewed a report prepared by Cook reflecting a benchmarking review of our executive compensation program, including base salary, cash incentive and equity award levels for our executives, compared to competitive practice for companies in related businesses of similar size and market value. The competitive compensation data was analyzed for an 18-company peer group of publicly traded medical device and technology companies using the most recent annual meeting proxy statements, annual reports and 8-K filings. The 18 companies included in the peer group were:

• Antares Pharma, Inc.	• Cutera, Inc.	• MiMedx Group, Inc.
• AtriCure, Inc.	• Glaukos Corporation	• Nevro Corp.
• Axogen, Inc.	• Inogen, Inc.	• SeaSpine Holdings Corp.
• Axonics, Inc.	• Intersect ENT, Inc.	• STAAR Surgical Company
• Cardiovascular Systems, Inc.	• iRhythm Technologies, Inc.	• Surmodics, Inc.
• CryoLife, Inc.	• LeMaitre Vascular, Inc.	• Tandem Diabetes Care, Inc.

Although the Compensation and Organization Committee does not rely solely on benchmarking to determine any element of compensation or overall compensation, the Compensation and Organization Committee does believe that compensation data is important to the competitive positioning of the Company’s compensation levels. The Committee utilized this data to assess whether our executive compensation falls within a competitive range against industry norms. For 2021, the Committee generally targeted the 50th percentile of our peer group for benchmarking purposes.

In mid-2021, the Compensation and Organization Committee directly engaged Coda Advisors LLC to act as its independent compensation consultant related to 2022 compensation actions and decisions.

Executive Compensation Components and 2021 Determinations

Our executive compensation program in 2021 consisted of base salary, cash incentive bonuses, long-term incentive compensation in the form of performance stock units (“PSUs”), RSUs and non-qualified stock options, and a broad-based benefits program. We have not adopted any formal guidelines for allocating total compensation between long-term and short-term compensation, cash compensation and non-cash compensation, or among different forms of non-cash compensation. The Compensation and Organization Committee considers a number of factors in setting compensation for our executive officers, including Company performance, as well as the executive’s performance, experience and responsibilities, and the compensation of executive officers in similar positions at comparable companies.

Base Salary

Our named executive officers receive a base salary to compensate them for the satisfactory performance of duties to our Company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. Base salaries for our named executive officers have generally been set at levels deemed necessary to attract and retain individuals with superior talent. Base salaries for 2021 for the named executive officers were set based on market competitiveness utilizing the compensation data of the peer group provided by the Compensation and Organization Committee's compensation consultant.

In December 2020, the Compensation and Organization Committee approved increases for each named executive officer at the time, as shown below, effective January 1, 2021, based on its review of the base salaries of executives in similar positions at the companies in our peer group.

The following table sets forth the annual base salary of each of the named executive officers for 2021, as well as the percentage increase over 2020 base salary amounts:

Name	2021 Base Salary	2020 Base Salary	Percentage Increase
Daniel Reuvers	\$ 572,000	\$ 550,000	4.0 %
Brent Moen	\$ 397,000	\$ 385,000	3.1 %
Eric Pauls	\$ 325,000	N/A	N/A
Kristie Burns	\$ 350,000	N/A	N/A

Cash Incentive Compensation

Our Compensation and Organization Committee has adopted a Management Incentive Plan (the "MIP") pursuant to which annual cash incentive opportunities may be provided to our executive officers and other employees. The MIP provides that any of our employees is eligible to participate, and that the Compensation and Organization Committee will designate which employees will participate in the MIP and be granted an award for each calendar year performance period. When an award is made, the Compensation and Organization Committee will specify the terms and conditions of the award, which will include the performance goals and period under which the award may be earned. The performance measures specified in the MIP involve a variety of financial and operational measures, and performance goals based on these measures may relate to Company, subsidiary, business unit or individual performance.

In connection with establishing or applying the performance goals applicable to any performance period, the Compensation and Organization Committee may adjust the performance goals or the performance measures on which they are based to equitably reflect, in the Compensation and Organization Committee's judgment, the impact of events during the performance period that are unusual in nature or infrequently occurring (such as acquisitions, divestitures, restructuring activities or asset write-downs), changes in applicable tax laws or accounting principles, equity restructurings, reorganizations or other changes in corporate capitalization.

Following the completion of each performance period, the Compensation and Organization Committee will determine the degree to which the applicable performance goals were attained and the corresponding award amounts that would be payable to participants based on such attainment. The Compensation and Organization Committee retains the discretion, based on factors it deems relevant, to increase or decrease (including to zero) the amount of an award that would otherwise be payable to any participant based on attainment of applicable performance goals. The amount of any award determined by the Compensation and Organization Committee to be payable will be paid to the participant in a lump sum cash payment no later than March 15 of the calendar year immediately following the applicable

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Executive Compensation

performance period. A participant must continue to be employed by us on the date of payment to receive payment of an award under the MIP.

In February 2021, the Compensation and Organization Committee, pursuant to the MIP and with respect to the 2021 performance period, selected the applicable performance measures, specified the performance goals based on those performance measures, and specified the method for calculating the amount payable to our named executive officers if and to the extent the performance goals are satisfied. As in the prior year, the Committee selected revenue and net income before interest, taxes, depreciation and amortization, stock-based compensation expense and other adjustments (“Adjusted EBITDA”) as the performance measures, which are among the performance measures set forth in the MIP.

Target bonus amounts for these named executive officers were split 80% based on our achievement of 2021 revenue goals and 20% based on our achievement of 2021 Adjusted EBITDA goals.

The following payout levels associated with the degree to which the revenue and Adjusted EBITDA goals were attained for 2021 were as follows:

Revenue (In millions)	Threshold	Target	Maximum
Results	\$212.2	\$227.2	\$242.2
Percentage Payout Level	50%	100%	150%

Adjusted EBITDA (In millions)	Threshold	Target	Maximum
Results	\$24.4	\$29.4	\$34.4
Percentage Payout Level	50%	100%	150%

The Compensation and Organization Committee provided that payout levels would be interpolated for results between the threshold and maximum levels.

In February 2021, the Compensation and Organization Committee also established the target amounts to which the resulting percentage payout level would be applied. The target dollar amount as percentage of base salary for each participating named executive officer was:

Name	Target Dollar Amount as a Percentage of Base Salary
Daniel Reuvers	85%
Brent Moen	50%

With respect to Ms. Burns, her offer letter provides that she is eligible for a 2021 bonus targeted but not guaranteed at 40% of her base salary prorated for the time she served in her role in 2021, which was from March 22, 2021 through December 31, 2021.

With respect to Mr. Pauls, his offer letter provides that he is eligible for a 2021 bonus targeted at 45% of his base salary prorated for the time he served in his role in 2021, which was from May 1, 2021 through December 31, 2021, but with a minimum guarantee of \$75,000, subject to continued employment through December 31, 2021.

The MIP for 2021 also provided that if the aggregate amount to be paid to all employees of the Company under the MIP for 2021 would cause the Company’s Adjusted EBITDA for 2021 to fall below \$24.4 million, the Company would reduce the amounts paid to all employees on a pro rata basis based on each employee’s potential bonus award payout

amount such that the aggregate amount to be paid to all employees of the Company under the MIP for 2021 would not cause the Company's Adjusted EBITDA to fall below \$24.4 million.

On January 20, 2022, our Compensation and Organization Committee reviewed the degree to which the 2021 revenue and Adjusted EBITDA goals were attained, and determined that, due to the COVID-19 pandemic, results did not reach the threshold level under either the revenue metric or the Adjusted EBITDA metric, resulting in no payouts under the MIP for the 2021 performance year to the named executive officers. However, pursuant to the terms of Mr. Pauls' offer letter as discussed above, he received a cash bonus payment of \$75,000 related to 2021.

Equity-Based Compensation

Equity Awards Granted in 2021

With respect to the 2021 annual equity awards to the named executive officers, the Compensation and Organization Committee reviewed various factors, including the total compensation package of our executives, its focus on pay for performance and its compensation consultant's recommendation to provide a mix of equity-based compensation for 2021. The Compensation and Organization Committee determined to continue to grant RSUs, stock options and PSUs to our executive officers. The Compensation and Organization Committee believes that this mix emphasizes performance, further aligning with our stockholders' interests, and promotes retention.

In February 2021, under our 2016 Equity Incentive Plan (the "2016 Plan"), the Compensation and Organization Committee approved the grant of RSUs, stock options and PSUs (the "2021 PSUs") to our named executive officers, as the long-term incentive component of our compensation program. The RSUs, stock options and 2021 PSUs had an effective grant date of February 25, 2021, which was the second trading day following the issuance of our earnings release for the fourth quarter and full year 2020.

The number of RSUs and stock options, and the target number of 2021 PSUs, granted to our named executive officers in February 2021 were as follows:

Name	Restricted Stock Units (#)	Stock Options (#)	Target Performance Stock Units (#)
Daniel Reuvers	7,267	19,456	14,534
Brent Moen	5,167	13,835	5,167

The RSUs and stock options granted to our named executive officers in 2021 will vest one-third on each of the first three anniversaries of the grant date, subject to continued service on each vesting date. The 2021 PSUs will be earned if and to the extent performance goals based on revenue and Adjusted EBITDA in 2022 are achieved. The revenue performance factor will be weighted at 65% and the Adjusted EBITDA performance factor will be weighted at 35%. Participants will have the ability to earn between 50% of the target number of 2021 PSUs for achieving threshold performance and 150% of the target number of 2021 PSUs for achieving maximum performance. If and to the extent any 2021 PSUs are determined by the Compensation and Organization Committee to be earned based on the level of achievement of the performance goals, one-third of the earned 2021 PSUs will vest on the date on which the Committee certifies the number of 2021 PSUs earned, and the remaining two-thirds of the earned 2021 PSUs will vest on the first anniversary of that certification date.

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Executive Compensation

As provided in her offer letter, Ms. Burns received the following equity awards on May 5, 2021, which was the second business day following our release of earnings for the first fiscal quarter of 2021:

- 2,156 RSUs and 5,094 stock options, which will vest ratably in three equal amounts on each of the first three anniversaries of the date of grant;
- 2,156 PSUs, which is the target number to be earned if and to the extent performance goals based on revenue and Adjusted EBITDA in 2022 are achieved. If and to the extent any 2021 PSUs are determined by the Compensation and Organization Committee to be earned based on the level of achievement of the performance goals, one-third of the earned 2021 PSUs will vest on the date on which the Committee certifies the number of 2021 PSUs earned, and the remaining two-thirds of the earned 2021 PSUs will vest on the first anniversary of that certification date; and
- as consideration for cash and equity compensation forgone with Ms. Burns' former employer, a sign-on equity award of 4,621 RSUs, which will vest ratably in three equal amounts on each of the first three anniversaries of the date of grant.

As provided in his offer letter, Mr. Pauls received the following equity awards on May 5, 2021, which was the second business day following our release of earnings for the first fiscal quarter of 2021:

- 1,334 RSUs and 3,153 stock options, which will vest ratably in three equal amounts on each of the first three anniversaries of the date of grant;
- 1,334 PSUs, which is the target number to be earned if and to the extent performance goals based on revenue and Adjusted EBITDA in 2022 are achieved. If and to the extent any 2021 PSUs are determined by the Compensation and Organization Committee to be earned based on the level of achievement of the performance goals, one-third of the earned 2021 PSUs will vest on the date on which the Committee certifies the number of 2021 PSUs earned, and the remaining two-thirds of the earned 2021 PSUs will vest on the first anniversary of that certification date; and
- as consideration for cash and equity compensation forgone with Mr. Pauls' former employer, a sign-on equity award of 4,621 RSUs, which will vest ratably in three equal amounts on each of the first three anniversaries of the date of grant.

PSU Awards for 2021 Performance Period

In 2022, the Compensation and Organization Committee reviewed the degree to which the performance goals under the PSUs granted in 2020 (the "2020 PSUs"), which were based on Adjusted EBITDA and revenue in 2021 were satisfied. As a result of such review, the Committee determined that none of the 2020 PSUs were earned.

Executive Severance Arrangements

On November 1, 2018, the Compensation and Organization Committee of our Board of Directors approved and adopted the Tactile Systems Technology, Inc. Executive Employee Severance Plan (the "Severance Plan"). Employees who are designated by our Board of Directors or a committee thereof are eligible to be participants in the Severance Plan. Messrs. Reuvers, Moen and Pauls and Ms. Burns are current participants in the Severance Plan. In connection with their designation as a participant in the Severance Plan, each of the participants entered into a Confidentiality, Assignment of Intellectual Property and Restrictive Covenants Agreement (each, a "Restrictive Covenants Agreement") with us. See "Potential Payments Upon Termination or Change in Control – Severance Plan" for a description of the

terms of the Severance Plan. The Compensation and Organization Committee adopted the Severance Plan in lieu of the employment agreements to provide for standardization of the severance terms for all of our executive officers.

Retirement, Health, Welfare and Additional Benefits

Our named executive officers are eligible to participate in our employee benefit plans and programs, including medical and dental benefits, flexible spending accounts and short- and long-term disability and life insurance, to the same extent as our other full-time employees, subject to the terms and eligibility requirements of those plans. Our named executive officers are also eligible to participate in a tax-qualified 401(k) defined contribution plan to the same extent as all of our other full-time employees. Our 401(k) plan permits, but does not require, the Company to make discretionary contributions. The Company made contributions to named executive officers under the 401(k) plan in 2021, as shown in the "2021 Summary Compensation Table."

We have an Employee Stock Purchase Plan ("ESPP") in which all of our employees who have been employed for at least 60 days are eligible to participate. The ESPP permits employees to acquire shares of our common stock through periodic payroll deductions of up to 15% of their eligible compensation, subject to certain limitations. The purchase price of our common stock acquired on each purchase date under the ESPP will be no less than 85% of the lower of the closing market price per share of our common stock on (i) the first trading day of the applicable purchase period or (ii) the last trading day of the applicable purchase period.

Clawback Policy

Our Board of Directors has established an incentive compensation recovery policy, or clawback policy, which requires reimbursement or forfeiture of all or a portion of any incentive compensation awarded to an executive when (i) the Company is required to prepare an accounting restatement due to material noncompliance with financial reporting requirements and the executive's award, vesting, or payment of an award would have been smaller given the restated financial information and the award vesting or payment occurred or was received during the three-year period preceding the date on which the Company is required to prepare the restatement, or (ii) there is misconduct resulting in either a violation of the law or of Company policy that has caused significant financial or reputational harm to the Company and either the executive committed the misconduct directly or failed in his or her responsibility to manage or monitor the applicable conduct or risks.

Compensation Risk Assessment

The Compensation and Organization Committee has reviewed the concept of risk as it relates to our compensation programs and believes that risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. The Compensation and Organization Committee believes that our compensation programs do not foster undue risk-taking, because they focus on performance of Company-wide annual goals that are aligned with the long-term interests of our stockholders and they include risk control and mitigation factors.

Stock Ownership Guidelines

Our Board of Directors has established Stock Ownership Guidelines applicable to our directors and executive officers. For a description of the provisions of the Guidelines applicable to our directors, see "Director Compensation."

Under the Guidelines, our Chief Executive Officer is expected to own shares of our common stock with a value at least equal to three times his annual base salary, and our other executive officers are expected to own shares of our

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Executive Compensation

common stock with a value at least equal to one times their annual base salaries. Shares owned directly and indirectly, as well as the full-value equity awards (such as RSUs) with only a time-based vesting condition, count toward the ownership level under the Guidelines, but shares subject to vested or unvested stock options and equity awards with a performance-based vesting condition do not count toward the ownership level under the Guidelines.

The applicable ownership level is to be achieved by our executive officers within the later of December 9, 2026 or five years of when he or she becomes subject to the Guidelines. Until an executive officer has achieved the applicable ownership level, he or she must retain at least 50% of the “net profit shares” resulting from any stock option exercise or from the exercise, vesting or settlement of any other form of equity-based compensation award. “Net profit shares” refers to that portion of the number of shares subject to the exercise, vesting or settlement of an award that the officer would receive had he or she authorized us to withhold shares otherwise deliverable in order to satisfy any applicable exercise price or withholding taxes. The Compensation and Organization Committee is responsible for monitoring the application of the Guidelines.

Each of our executive officers either complies with, or is making progress within the permitted time period to comply with, the stock ownership level applicable to him or her under the Guidelines.

Prohibition on Pledging and Hedging

Under the terms of our Insider Trading Policy, our executive officers and directors are prohibited from: pledging our stock; engaging in short sales of our stock; buying or selling put or call options or other derivative securities based on our stock; purchasing any financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) or otherwise engaging in transactions that are designed to or have the effect of hedging or offsetting any decrease in the market value of our stock; and engaging in limit orders or other pre-arranged transactions that execute automatically, except for same-day limit orders and approved 10b5-1 plans.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code (the “Code”) generally disallows a tax deduction to public companies for compensation of more than \$1 million paid in any taxable year to each “covered employee.” Although a previous exception to this limit for “performance-based” compensation has since been eliminated, the Compensation and Organization Committee continues to believe that a significant portion of our executives’ compensation should be tied to the Company’s performance and that stockholder interests are best served if its discretion and flexibility in structuring and awarding compensation is not restricted, even though some compensation awards may have resulted in the past, and are expected to result in the future, in non-deductible compensation expenses to the Company.

Also the Compensation and Organization Committee takes into account whether components of our compensation program may be subject to the penalty tax associated with Section 409A of the Code, and aims to structure the elements of compensation to be compliant with or exempt from Section 409A to avoid such potential adverse tax consequences.

COMPENSATION AND ORGANIZATION COMMITTEE REPORT

The Compensation and Organization Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based upon this review and discussion, the Compensation and Organization Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

THE COMPENSATION AND ORGANIZATION COMMITTEE

Raymond Huggenberger, Chair

Sheri Dodd

Richard Nigon

Brent Shafer

2021 SUMMARY COMPENSATION TABLE

The following table provides information regarding the compensation of our named executive officers for 2021, 2020 and 2019:

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Bonus ⁽²⁾ (\$)	Stock Awards ⁽³⁾ (\$)	Option Awards ⁽⁴⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽⁵⁾ (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total (\$)
Daniel Reuvers ⁽⁷⁾	2021	571,154	—	1,124,931	374,999	—	5,800	2,076,884
Chief Executive Officer	2020	296,154	251,731	708,976	709,009	—	59,108	1,773,247
Brent Moen	2021	396,539	—	533,234	266,659	—	5,800	1,202,232
Chief Financial Officer	2020	383,977	144,375	933,240	266,655	—	—	1,728,247
	2019	334,827	—	199,905	120,048	250,786	—	905,566
Eric Pauls ⁽⁷⁾	2021	206,250	75,000	394,335	72,204	—	5,625	753,414
SVP, Sales								
Kristie Burns ⁽⁷⁾	2021	262,500	—	483,276	116,653	—	7,269	869,698
SVP, Marketing and Clinical Affairs								

- (1) Represents base salary earned during the year indicated.
- (2) Represents: (a) for Mr. Moen, for 2020, a payout of 75% of target payout; (b) for Mr. Reuvers, for 2020, a cash bonus amount equal to 85% of his base salary earned during 2020, as provided for in his offer letter; and (c) for Mr. Pauls, for 2021, a cash bonus amount of \$75,000 as provided for in his offer letter.
- (3) Represents the aggregate grant date fair value of RSU and PSU awards granted during the given year, computed in accordance with FASB ASC Topic 718, which for RSUs was equal to the closing price of a share of our common stock on the date of grant, multiplied by the number of RSUs in the grant and for PSUs was equal to the closing price of a share of our common stock on the date of grant, multiplied by the number of shares that would be earned based on the probable outcome of the applicable performance conditions.

The following table presents the grant date fair value of the PSUs included in this column and the grant date fair value of the PSUs assuming that the highest level of performance conditions would be achieved and the grant date fair value of the RSUs included in this column:

Name	2021 PSUs		2021 RSUs	2020 PSUs		2020 RSUs	2019 PSUs		2019 RSUs
	Grant Date Fair Value (Based on Probable Outcome) (\$)	Grant Date Fair Value (Based on Maximum Performance) (\$)	Grant Date Fair Value (\$)	Grant Date Fair Value (Based on Probable Outcome) (\$)	Grant Date Fair Value (Based on Maximum Performance) (\$)	Grant Date Fair Value (\$)	Grant Date Fair Value (Based on Probable Outcome) (\$)	Grant Date Fair Value (Based on Maximum Performance) (\$)	Grant Date Fair Value (\$)
Daniel Reuvers	749,954	1,124,932	374,977	—	—	708,976	—	—	—
Brent Moen	266,617	399,900	266,617	266,618	399,903	666,622	79,904	119,856	120,001
Eric Pauls	72,169	108,254	322,166	—	—	—	—	—	—
Kristie Burns	116,640	174,959	366,636	—	—	—	—	—	—

- (4) Represents the aggregate grant date fair value of the option awards granted during the given year, computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures. For a description of the assumptions used in valuing these awards, see Note 14 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021.
- (5) Represents awards earned under the applicable bonus plan during the given year, related to performance objectives as to which the outcomes were substantially uncertain at the time the performance objectives were established. These amounts were earned related to performance in the year shown but paid in the following year. For additional information regarding our bonus programs, see the section titled “Executive Compensation Components and 2021 Determinations—Cash Incentive Compensation” above.
- (6) Represents: (a) for each named executive officer for 2021, the amount to be paid by the Company to match, in part, the contributions of each of them to their respective 401(K) plan account, and (b) for Mr. Reuvers in 2020, \$50,000 in moving expenses and \$9,108 in legal fees paid under the terms of his offer letter.
- (7) Mr. Reuvers joined the Company in June 2020, Mr. Pauls joined the Company in May 2021 and Ms. Burns joined the Company in March 2021.

GRANTS OF PLAN-BASED AWARDS IN 2021

The following table sets forth information regarding grants of plan-based awards to our named executive officers during 2021.

Name and Award Type	Grant Date	Date of Compensation Committee Approval	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) ⁽²⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Daniel Reuvers												
Stock Options	2/25/2021	2/16/2021								19,456	51.60	374,999
RSUs	2/25/2021	2/16/2021						7,267				374,977
PSUs	2/25/2021	2/16/2021				7,267	14,534	21,801				749,954
MIP		2/16/2021	243,100	486,200	729,300							
Brent Moen												
Stock Options	2/25/2021	2/16/2021								13,835	51.60	266,659
RSUs	2/25/2021	2/16/2021							5,167			266,617
PSUs	2/25/2021	2/16/2021				2,583	5,167	7,750				266,617
MIP		2/16/2021	99,250	198,500	297,750							
Eric Pauls												
Stock Options	5/5/2021	4/19/2021								3,153	54.10	72,204
RSUs ⁽³⁾	5/5/2021	4/19/2021							1,334			72,169
RSUs ⁽⁴⁾	5/5/2021	4/19/2021							4,621			249,996
PSUs	5/5/2021	4/19/2021				667	1,334	2,001				72,169
MIP		4/19/2021	46,406	92,813	139,219							
Kristie Burns												
Stock Options	5/5/2021	2/10/2021								5,094	54.10	116,653
RSUs ⁽³⁾	5/5/2021	2/10/2021							2,156			116,640
RSUs ⁽⁴⁾	5/5/2021	4/19/2021							4,621			249,996
PSUs	5/5/2021	2/10/2021				1,078	2,156	3,234				116,640
MIP		4/19/2021	52,500	105,000	157,500							

(1) Amounts shown in this column represent the potential cash payout amounts under the 2021 MIP. As discussed further under “Compensation Discussion and Analysis – Executive Compensation Components and 2021 Determinations – Cash Incentive Compensation,” no amounts were earned under the 2021 MIP. The separate cash bonus payout amounts approved by the Compensation and Organization Committee are disclosed in the Summary Compensation Table in the “Bonus” column.

(2) Amounts represent the grant date fair value of the awards determined in accordance with FASB ASC Topic 718. For a discussion of assumptions made in determining the grant date fair value of stock options granted by the Company, see Note 14 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2021. Amounts related to PSUs represent the value at the grant date based upon the probable outcome of the performance conditions.

(3) These RSUs represent the annual grant of RSUs to the named executive officer, based on start date.

(4) These RSUs represent a sign-on equity award in consideration for cash and equity compensation forgone with the named executive officer’s former employer.

OUTSTANDING EQUITY AWARDS AT 2021 FISCAL YEAR-END

The following table sets forth certain information regarding equity awards that have been granted to our named executive officers and that were outstanding as of December 31, 2021:

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾
Daniel Reuvers	8,736	17,474 ⁽²⁾	36.50	8/5/2027				
	24,818	—	36.50	8/5/2027				
		19,456 ⁽³⁾	51.60	2/25/2028				
					6,786 ⁽⁷⁾	129,138		
					7,267 ⁽⁸⁾	138,291		
							7,267 ⁽¹²⁾	138,291
Brent Moen	12,006	—	62.99	11/7/2025				
	2,782	1,393 ⁽⁴⁾	72.64	3/4/2026				
	4,767	9,536 ⁽⁵⁾	50.41	2/28/2027				
	—	13,835 ⁽³⁾	51.60	2/25/2028				
					552 ⁽⁹⁾	10,505		
					8,816 ⁽¹⁰⁾	167,768		
					5,167 ⁽⁸⁾	98,328		
							2,644 ⁽¹³⁾	50,315
							2,583 ⁽¹²⁾	49,154
Eric Pauls	—	3,153 ⁽⁶⁾	54.10	5/5/2028				
					1,334 ⁽¹¹⁾	25,386		
					4,621 ⁽¹¹⁾	87,938		
							667 ⁽¹²⁾	12,693
Kristie Burns	—	5,094 ⁽⁶⁾	54.10	5/5/2028				
					2,156 ⁽¹¹⁾	41,029		
					4,621 ⁽¹¹⁾	87,938		
							1,078 ⁽¹²⁾	20,514

(1) Market value is calculated by multiplying the number of shares by \$19.03, the closing sale price per share of our common stock on the Nasdaq Global Market on December 31, 2021.

(2) This option vests as follows: one-third of the shares vest on each of the first three anniversaries of the grant date of August 5, 2020, subject to continued service on each vesting date.

(3) This option vests as follows: one-third of the shares vest on each of the first three anniversaries of the grant date of February 25, 2021, subject to continued service on each vesting date.

(4) The unexercisable portion of this option vests on March 4, 2022, subject to continued service on the vesting date.

(5) This option vests as follows: one-third of the shares vest on each of the first three anniversaries of the grant date of February 28, 2020, subject to continued service on each vesting date.

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- (6) This option vests as follows: one-third of the shares vest on each of the first three anniversaries of the grant date of May 5, 2021, subject to continued service on each vesting date.
- (7) Represents RSUs that vest one-third on each of the first three anniversaries of the grant date of August 5, 2020, subject to continued service on each vesting date.
- (8) Represents RSUs that vest one-third on each of the first three anniversaries of the grant date of February 25, 2021, subject to continued service on each vesting date.
- (9) Represents RSUs that vest on March 4, 2022, subject to continued service on the vesting date.
- (10) Represents RSUs that vest one-third on each of the first three anniversaries of the grant date of February 28, 2020, subject to continued service on each vesting date.
- (11) Represents RSUs that vest one-third on each of the first three anniversaries of the grant date of May 5, 2021, subject to continued service on each vesting date.
- (12) Represents the threshold number of 2021 PSUs that can be earned based on the results of performance measures in 2022. Any PSUs that are earned will vest as follows: 33% of earned units will vest upon the Compensation Committee certifying the number of 2021 PSUs earned and the remaining 67% will vest on the first anniversary of the initial vest date.
- (13) Represents the threshold number of 2020 PSUs that could have been earned based on the results of performance measures in 2021. However, following 2021, the Compensation and Organization Committee determined that, based actual performance in 2021, none of the 2020 PSUs were earned, and therefore these PSUs have been forfeited.

OPTION EXERCISES AND STOCK VESTED FOR FISCAL 2021

The following table sets forth certain information regarding option exercises by our named executive officers in the year ended December 31, 2021, and RSUs and PSUs held by our named executive officers that vested in the year ended December 31, 2021:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
Daniel Reuvers	—	—	12,638	630,040
Brent Moen	—	—	9,244	467,530
Eric Pauls	—	—	—	—
Kristie Burns	—	—	—	—

- (1) Represents the difference between the option exercise price and the closing price of our common stock, as reported on the Nasdaq Global Market, on the date of exercise, multiplied by the number of shares of our common stock underlying the stock options that were exercised.
- (2) Represents the closing price of our common stock, as reported on the Nasdaq Global Market, on the date of vesting, multiplied by the number of shares of common stock underlying RSUs or PSUs that vested.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

Severance and Restrictive Covenant Arrangements

Each of Messrs. Reuvers, Moen and Pauls and Ms. Burns is a participant in the Severance Plan and is a party to a Restrictive Covenants Agreement with us. The terms of the Severance Plan are summarized below under “—Severance Plan.”

The Restrictive Covenants Agreements with each of our named executive officers provide that, among other matters, while the executive officer is employed by us and for a period of 12 months thereafter, he or she will not (i) engage in any competitive business, subject to certain exceptions; (ii) solicit, hire or engage our employees or contractors, or certain former employees; and (iii) solicit, request, advise or induce customers, suppliers or other business contacts of ours to cancel, curtail or otherwise adversely change its relationship with us. Under the Restrictive Covenants Agreements, each executive officer also agrees to disclose and assign to us any and all improvements and inventions that he or she conceives or reduces to practice during his or her employment. In addition, the Restrictive Covenants Agreements contain customary confidentiality provisions.

Severance Plan

Each of Messrs. Reuvers, Moen and Pauls and Ms. Burns is a participant in the Severance Plan. Under the Severance Plan, a participant will be entitled to receive the specified severance benefits if his or her employment is terminated (i) at our initiative other than for Cause (as defined below) or (ii) by the participant for Good Reason (as defined below) (each such type of termination, a “Qualifying Severance Event”). A participant who experiences a Qualifying Severance Event will be eligible to receive certain severance benefits under the Severance Plan, including:

- if the Qualifying Severance Event occurs prior to a Change in Control (as defined below), payment of:
 - an amount equal to two times (for our Chief Executive Officer) or one times (for all other participants) his or her annualized base salary as of the termination date, payable in accordance with our regular payroll schedule for 24 months (for our Chief Executive Officer) or 12 months (for all other participants) thereafter; and
 - the portion of the premium costs that we would have paid, if the participant had remained employed by us, for any continued group health insurance coverage following the termination date, at the same level of coverage, for a period of 18 consecutive months (for our Chief Executive Officer) or 12 consecutive months (for all other participants) after the termination date (or until group health or dental coverage from another employer is received, if earlier); and
- if the Qualifying Severance Event occurs within 12 months after a Change in Control, payment of:
 - an amount equal to two times (for our Chief Executive Officer) or one times (for all other participants) the sum of (i) his or her annualized base salary as of the termination date, plus (ii) his or her target incentive bonus as of the termination date, payable in a lump sum on the first payroll date occurring more than 60 days after the termination date; and
 - the portion of the premium costs that we would have paid, if the participant had remained employed by us, for any continued group health insurance coverage following the termination date, at the same level of coverage, for a period of 18 consecutive months (for our Chief Executive Officer) or 12 consecutive months (for all other participants) after the termination date (or until group health or dental coverage from another employer is received, if earlier).

In addition, if a participant experiences a Qualifying Severance Event and the termination date occurs:

- before a Change in Control, then with respect to any equity-based award that has been granted to him or her under one of our equity plans and is outstanding and not fully vested on such termination date (an

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Executive Compensation

“Equity Award”), a pro rata portion of the unvested portion of such Equity Award will vest as of the date the participant’s release of claims becomes irrevocable; and

- within 12 months after a Change in Control, then the unvested portion of any Equity Award that is outstanding on such termination date will vest as of the date the participant’s release becomes irrevocable.

In either case, if the Equity Award is subject to the satisfaction of performance goals over a performance period, the number of shares or units for purposes of the above determinations will be the number of target shares or units in the award. Further, if an Equity Award is a stock option or stock appreciation rights award that vests as provided above, it will remain exercisable to the extent so vested for one year after the termination date.

Under the Severance Plan, “Cause” is generally defined as: an act or acts of dishonesty intended to result in personal gain or enrichment at the expense of the Company; unlawful conduct or gross misconduct that is materially injurious to the Company; being convicted of a felony; or any material breach of a written agreement between the participant and the Company that has not been cured within 15 days following notice.

Under the Severance Plan, “Good Reason” generally means the occurrence of any of the following events without the participant’s consent: the assignment of the participant to a position with responsibilities or duties of a materially lesser status or degree than his or her position as of the date the Severance Plan was adopted; any material breach of any terms or conditions of any written agreement between the Company and the participant by the Company not caused by the participant; or the requirement by the Company that the participant relocate out of the Minneapolis/St. Paul Metropolitan area or metropolitan area designated by the Company at the later of the participant’s initial employment date or the date the Severance Plan was adopted. Certain notice and timing requirements apply for a termination to qualify as being for “Good Reason.”

The Severance Plan defines “Change in Control” by reference to the definition of that term in the 2016 Plan, which is discussed below under “—Equity Awards—2016 Plan.”

To receive benefits under the Severance Plan, a participant must sign and not rescind a release form approved by us. Payment of severance benefits under the Severance Plan is also subject to other conditions, and will be terminated if the participant violates his or her ongoing obligations with respect to non-disclosure of confidential information, assignment of intellectual property, non-competition and non-solicitation.

Equity Awards

2016 Plan

Generally, the award agreements with respect to RSUs, stock options and PSUs granted under the 2016 Plan to the named executive officers provide that, except with respect to terminations following certain corporate transactions described below or due to death or disability, upon termination of the officer’s service with our Company, all unvested and unexercisable portions of his or her outstanding awards will immediately be forfeited. If a named executive officer’s service with our Company terminates other than for cause (as defined in the 2016 Plan), death or disability, the vested and exercisable portions of the officer’s outstanding option awards generally will remain exercisable for three months after termination. Upon termination for cause, all unexercised stock option awards will be forfeited.

Upon termination of a named executive officer’s service with our Company due to death or disability, all unvested RSUs will vest as of such termination date, and all stock options will vest as of such termination date and will generally remain exercisable for one year thereafter. With respect to outstanding PSUs, in the event of the termination of a named executive officer’s service with our Company by reason of disability, (i) if such termination occurs prior to the

date the Compensation and Organization Committee certifies the number of earned PSUs, he or she will be entitled to have vest, on that certification date, a pro rata portion of the earned PSUs, which pro rata portion will be based on the number of days he or she was employed in the applicable performance period; or (ii) if such termination occurs after the date the Committee certifies the number of earned PSUs, he or she will be entitled to have vest, on the termination date, all unvested earned PSUs. Further with respect to outstanding PSUs, in the event of the termination of a named executive officer's service with our Company due to death, (i) if such termination occurs prior to the date the Compensation and Organization Committee certifies the number of earned PSUs, he or she will be entitled to have vest, on the termination date, a pro rata portion of the target number of PSUs applicable to that officer, which pro rata portion will be based on the number of days he or she was employed in the applicable performance period; or (ii) if such termination occurs after the date the Compensation and Organization Committee certifies the number of earned PSUs, he or she will be entitled to have vest, on the termination date, all unvested earned PSUs.

Unless otherwise provided in an award agreement, in the event of a Change in Control that is a corporate transaction, the surviving or successor entity may continue, assume or replace some or all of the outstanding awards under the 2016 Plan. Our award agreements with our named executive officers generally provide that if awards granted to the executive officer under the 2016 Plan are continued, assumed or replaced in connection with a Change in Control and if within one year after the transaction the named executive officer experiences an involuntary termination of service other than for cause, or terminates his or her employment for good reason, the named executive officer's outstanding: (i) RSUs will vest in full; (ii) stock options will vest in full and will remain exercisable for one year following termination; and (iii) PSUs will vest in an amount equal to (a) the target number of PSUs applicable to that officer or, if the performance period has ended, the number of earned PSUs applicable to that officer, minus (b) the number of PSUs that vested prior such termination date.

If awards granted to any named executive officer are not continued, assumed or replaced in connection with a Change in Control, then (i) any outstanding RSUs will vest immediately prior to the transaction, (ii) any outstanding stock options will become fully exercisable for a period of time prior to the transaction and terminate at the time of the transaction; and (iii) any outstanding PSUs will vest in an amount equal to: (a) if the performance period has not ended, the target number of PSUs applicable to that named executive officer, or (b) if the performance period has ended, the number of earned PSUs applicable to that named executive officer minus the number of PSUs that vested prior to the date of the Change in Control. Alternatively, the Compensation and Organization Committee may provide for the cancellation of any outstanding award in exchange for payment to the holder of the amount of the consideration that would have been received in the transaction for the number of shares subject to the award less the aggregate exercise price (if any) of the award.

In the event of a Change in Control that does not involve a corporate transaction, the Compensation and Organization Committee, in its discretion, may take such action as it deems appropriate with respect to outstanding awards, which may include providing for the cancellation of any award in exchange for payment to the holder of the amount of the consideration that would have been received in the Change in Control for the number of shares subject to the award less the aggregate exercise price (if any) of the award, or making adjustments to any award to reflect the Change in Control, including the acceleration of vesting in full or in part.

For purposes of the 2016 Plan, a "Change in Control" generally refers to a corporate transaction (as defined in the next sentence), the acquisition by a person or group of more than 50% of the combined voting power of our stock, or our "continuing directors" ceasing to constitute a majority of the members of the Board of Directors. A "corporate transaction" generally refers to (i) a sale or other disposition of all or substantially all of the assets of our Company, or (ii) a merger, consolidation, share exchange or similar transaction involving our Company, regardless of whether our Company is the surviving corporation.

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Executive Compensation

Potential Payments Table

The table below reflects the estimated value of compensation and benefits payable to each of our named executive officers upon the occurrence of certain events. The amounts in the table are based on a hypothetical termination of employment or change in control date on December 31, 2021.

<u>Name/Benefits</u>	Involuntary Termination: Without Cause or for Good Reason Prior to a Change in Control (\$)	Involuntary Termination: Without Cause or for Good Reason Within 12 Months Following a Change in Control (\$)	Termination Due to Death or Disability (\$)	Change in Control and Equity Awards Not Assumed (\$)
<u>Daniel Reuvers</u>				
Base salary	1,144,000	1,144,000	—	—
Annual bonus	—	486,200	—	—
Health benefits	13,677	13,677	—	—
Value of accelerated stock options ⁽¹⁾	—	—	—	—
Value of accelerated RSUs ⁽²⁾	404,102	507,930	507,930	507,930
Value of accelerated PSUs ⁽²⁾⁽³⁾	138,101	138,101	276,582	138,101
Total	1,699,880	2,289,908	784,512	646,031
<u>Brent Moen</u>				
Base salary	397,000	397,000	—	—
Annual bonus	—	198,500	—	—
Health benefits	12,062	12,062	—	—
Value of accelerated stock options ⁽¹⁾	—	—	—	—
Value of accelerated RSUs ⁽²⁾	117,396	276,601	276,601	276,601
Value of accelerated PSUs ⁽²⁾⁽³⁾	49,078	49,078	98,328	49,078
Total	575,536	933,241	374,929	325,679

Potential Payments Table (cont.)

Name/Benefits	Involuntary Termination: Without Cause or for Good Reason Prior to a Change in Control (\$)	Involuntary Termination: Without Cause or for Good Reason Within 12 Months Following a Change in Control (\$)	Termination Due to Death or Disability (\$)	Change in Control and Equity Awards Not Assumed (\$)
Eric Pauls				
Base salary	325,000	325,000	—	—
Annual bonus	—	92,813	—	—
Health benefits	5,685	5,685	—	—
Value of accelerated stock options ⁽¹⁾	—	—	—	—
Value of accelerated RSUs ⁽²⁾	26,490	113,324	113,324	113,324
Value of accelerated PSUs ⁽²⁾⁽³⁾	12,674	12,674	25,386	12,674
Total	369,849	549,496	138,710	1,739,761
Kristie Burns				
Base salary	350,000	350,000	—	—
Annual bonus	—	105,000	—	—
Health benefits	12,062	12,062	—	—
Value of accelerated stock options ⁽¹⁾	—	—	—	—
Value of accelerated RSUs ⁽²⁾	30,163	128,966	128,966	128,966
Value of accelerated PSUs ⁽²⁾⁽³⁾	20,476	20,476	41,029	20,476
Total	412,701	616,504	169,995	149,442

- (1) The value of the accelerated stock options is calculated based on the number of shares of our common stock subject to accelerated vested stock options multiplied by the difference between \$19.03, the closing price for a share of our common stock on the Nasdaq Global Market on December 31, 2021, and the per share exercise price.
- (2) The value of accelerated RSUs and PSUs is determined by multiplying the number of accelerated vested units by \$19.03, the closing price for our common stock on December 31, 2021.
- (3) To determine the number of PSUs for which vesting would be accelerated, the “Involuntary Termination: Without Cause or for Good Reason Prior to a Change in Control” column and the “Termination Due to Death or Disability” column utilize: (a) for the 2020 PSUs, zero, since none of the 2020 PSUs were earned; and (b) for the 2021 PSUs, the target number of 2021 PSUs and a performance period of January 1, 2021 – December 31, 2022 for purposes of the pro rata calculation. To determine the number of PSUs for which vesting would be accelerated, the “Involuntary Termination: Without Cause or for Good Reason Within 12 Months Following a Change in Control” column and the “Change in Control and Equity Awards Not Assumed” column utilize: (a) for the 2020 PSUs, zero; and (b) for the 2021 PSUs, the target number of 2021 PSUs.

CEO PAY RATIO

The following is the annual disclosure of the ratio of our median employee's annual total compensation to the annual total compensation of Daniel L. Reuvers, our Chief Executive Officer (our "CEO"). For 2021:

- the annual total compensation of our median employee was \$66,668; and
- the total compensation of our CEO, as reported in the 2021 Summary Compensation Table included in this Proxy Statement, was \$2,076,884.

Based on this information for 2021, we reasonably estimate that the ratio of our CEO's annual total compensation to the annual total compensation of our median employee was 31:1. Our pay ratio estimate has been calculated in a manner consistent with Item 402(u) of Regulation S-K.

We identified our median employee as of December 31, 2021, at which time we had approximately 981 employees, all of whom are U.S. employees. Our median employee was identified based on the cash compensation paid related to 2021 to all members of our workforce including full-time and part-time employees, other than our CEO, who were employed on December 31, 2021. We annualized the cash compensation of employees who were employed on December 31, 2021 but had not worked for us for all of 2021. For purposes of determining the cash compensation paid related to 2021, we included the amount of base salary the employee received during 2021 and the amount of any cash incentives earned in 2021.

Once we identified our median employee, we then determined that employee's total compensation, including any perquisites and other benefits, in the same manner that we determine the total compensation of our named executive officers for purposes of the 2021 Summary Compensation Table disclosed above.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information concerning our equity compensation plans as of December 31, 2021:

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 column (a))
Equity compensation plans approved by security holders ⁽¹⁾	1,225,664 ⁽²⁾	\$ 39.33 ⁽³⁾	8,023,609 ⁽⁴⁾
Equity compensation plans not approved by security holders	—	—	—
Total	1,225,664 ⁽²⁾	\$ 39.33 ⁽³⁾	8,023,609 ⁽⁴⁾

(1) Includes the 2016 Plan and the ESPP.

(2) Consists of stock options, RSUs, and PSUs. Other than 2021 and 2020 PSUs held by a non-executive officer that were deemed to be earned at the target level of performance at the time of his termination, (a) no 2020 PSUs are included in these amounts since none of them were earned, and (b) the number of 2021 PSUs included in these amounts consists of the maximum number of shares that participants are eligible to receive if applicable performance metrics are fully achieved under the terms of the outstanding 2021 PSUs.

(3) Represents the weighted average exercise price of outstanding stock options. Does not take into account the outstanding RSUs and PSUs which, when settled, will be settled in shares of our common stock on a one-for-one basis at no additional cost.

(4) Consists of shares available for awards under the 2016 Plan and the ESPP as of December 31, 2021. The 2016 Plan contains an “evergreen” provision, pursuant to which the number of shares of common stock reserved for issuance under the 2016 Plan automatically increases on January 1 of each year beginning on January 1, 2017 and ending on January 1, 2026 in an amount equal to the lesser of: (i) 5% of the total number of shares outstanding as of December 31 of the immediately preceding calendar year; (ii) 2,500,000 shares; or (iii) a number of shares determined by our Board of Directors. As of December 31, 2021, there were 6,314,849 shares available for future awards under the 2016 Plan. The ESPP also contains an “evergreen” provision, pursuant to which the number of shares of common stock reserved for issuance under the ESPP shall automatically increase on January 1 of each year beginning on January 1, 2017 and ending on January 1, 2026 in an amount equal to the lesser of: (i) 1% of the total number of shares outstanding as of December 31 of the immediately preceding calendar year; (ii) 500,000 shares; or (iii) a number of shares determined by our Board of Directors. As of December 31, 2021, there were 1,708,760 shares available for issuance under the ESPP, of which 14,789 shares were subject to purchase based upon the payroll withholdings to that date under the ESPP for the current purchase period.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our common stock as of March 14, 2022, for: each person known to the Company to be the beneficial owner of more than 5% of our outstanding common stock; each of our named executive officers; each of our directors and nominees; and all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to the Company that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

The table lists applicable percentage ownership based on 19,926,244 shares of our common stock outstanding as of March 14, 2022. The number of shares beneficially owned includes shares of our common stock that each person has the right to acquire within 60 days of March 14, 2022, including upon the exercise of stock options and the vesting of RSUs. These shares are deemed to be outstanding for the purpose of computing the percentage of outstanding shares of our common stock owned by such person but are not deemed to be outstanding for the purpose of computing the percentage of outstanding shares of our common stock owned by any other person.

Name of Beneficial Owner	Amount and Nature of Ownership	Percentage of Class
5% or Greater Stockholders		
BlackRock, Inc. ⁽¹⁾ 55 East 52nd Street, New York, NY 10055	3,734,897	18.7%
Champlain Investment Partners, LLC ⁽²⁾ 180 Battery St., Burlington, VT 05401	1,785,185	9.0%
Morgan Stanley ⁽³⁾ 1585 Broadway New York, NY 10036	1,731,409	8.7%
Geneva Capital Management LLC ⁽⁴⁾ 100 E Wisconsin Ave., Suite 2550, Milwaukee, WI 53202	1,371,864	6.9%
The Vanguard Group ⁽⁵⁾ 100 Vanguard Blvd., Malvern, PA 19355	1,220,074	6.1%
Waddell & Reed Financial, Inc. ⁽⁶⁾ 6300 Lamar Avenue, Overland Park, KS 66202	1,202,852	6.0%
State Street Corporation ⁽⁷⁾ 1 Lincoln Street, Boston, MA 02111	1,077,933	5.4%
Thrivent Financial for Lutherans ⁽⁸⁾ 901 Marquette Avenue, Suite 2500, Minneapolis, MN 55402	1,016,262	5.1%
Named Executive Officers and Directors		
Peter Soderberg ⁽⁹⁾	350,523	1.8%
Richard Nigon ⁽¹⁰⁾	140,724	*
Kevin Roche ⁽¹¹⁾	69,941	*
Daniel Reuvers ⁽¹²⁾	50,196	*
Brent Moen ⁽¹³⁾	45,245	*
Raymond Huggenberger ⁽¹⁴⁾	17,108	*
Bill Burke ⁽¹⁵⁾	12,246	*
Kristie Burns ⁽¹⁶⁾	3,957	*
Deepti Jain ⁽¹⁷⁾	3,345	*
Sheri Dodd ⁽¹⁷⁾	3,345	*
Eric Pauls ⁽¹⁸⁾	3,036	*
Valerie Asbury ⁽¹⁹⁾	2,435	*
Brent Shafer ⁽¹⁹⁾	2,435	*
All current executive officers and directors as a group (13 persons)	704,536	3.5%

*Less than 1%.

- (1) Based on a Schedule 13G/A filed with the SEC on January 27, 2022 by BlackRock, Inc., that it has sole voting power with respect to 3,635,718 shares and sole dispositive power with respect to 3,734,897 shares of our common stock.
- (2) Based on a Schedule 13G/A filed with the SEC on February 11, 2022 by Champlain Investment Partners, LLC, that it has sole voting power with respect to 1,386,515 shares and sole dispositive power with respect to 1,785,185 shares of our common stock.
- (3) Based on a Schedule 13G filed with the SEC on February 9, 2022 by Morgan Stanley, that it has shared voting power with respect to 1,730,974 shares and shared dispositive power with respect to 1,731,409 shares of our common stock.
- (4) Based on a Schedule 13G/A filed with the SEC on February 11, 2022 by Geneva Capital Management LLC, that it has shared voting power with respect to 1,304,671 shares and shared dispositive power with respect to 1,371,864 shares of our common stock.

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Security Ownership of Certain Beneficial Owners and Management

- (5) Based on a Schedule 13G/A filed with the SEC on February 10, 2022 by The Vanguard Group, that it has shared voting power with respect to 36,262 shares, sole dispositive power with respect to 1,168,656 shares and shared dispositive power with respect to 51,418 shares of our common stock.
- (6) Based on a Schedule 13G/A filed with the SEC on February 12, 2021 by Waddell & Reed Financial, Inc. and its investment advisory subsidiary Ivy Investment Management Company, that they have sole voting power and sole dispositive power with respect to 1,202,852 shares of our common stock.
- (7) Based on a Schedule 13G filed with the SEC on February 11, 2022 by State Street Corporation that it has shared voting power with respect to 1,033,323 shares and shared dispositive power with respect to 1,077,933 of our common stock.
- (8) Based on a Schedule 13G filed with the SEC on February 17, 2021 by Thrivent Financial for Lutherans, that it has sole voting power with respect to 37,347 shares, shared voting power with respect to 978,915 shares, sole dispositive power with respect to 37,347 shares and shared dispositive power with respect to 978,915 shares of our common stock. Thrivent Financial for Lutherans disclaims beneficial ownership of certain of these shares.
- (9) Includes 95,394 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022, 2,682 RSUs that are vested as of March 14, 2022 but have not settled and 2,490 RSUs that are scheduled to vest within 60 days following March 14, 2022. Includes 136,452 shares held indirectly by Mr. Soderberg through Worthy Ventures Resources, LLC, of which Mr. Soderberg serves as manager, and 110,833 shares held indirectly in a trust for which Mr. Soderberg serves as trustee.
- (10) Includes 24,474 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022, 3,787 RSUs that are vested as of March 14, 2022 but have not settled, 2,490 RSUs that are scheduled to vest within 60 days following March 14, 2022, and 95,119 shares held indirectly by Mr. Nigon through various IRA accounts and a trust.
- (11) Includes 3,713 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022, and 2,490 RSUs that are scheduled to vest within 60 days following March 14, 2022.
- (12) Includes 40,037 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022.
- (13) Includes 30,326 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022.
- (14) Includes 7,175 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022, and 2,490 RSUs that are scheduled to vest within 60 days following March 14, 2022.
- (15) Includes 3,713 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022, and 2,490 RSUs that are scheduled to vest within 60 days following March 14, 2022.
- (16) Includes 1,698 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022, and 2,259 RSUs that are scheduled to vest within 60 days following March 14, 2022.
- (17) Includes 2,490 RSUs that are scheduled to vest within 60 days following March 14, 2022.
- (18) Includes 1,051 shares subject to options that are exercisable as of, or will be exercisable within 60 days following, March 14, 2022, and 1,985 RSUs that are scheduled to vest within 60 days following March 14, 2022.
- (19) Includes 2,435 RSUs that are scheduled to vest within 60 days following March 14, 2022.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

COMPENSATION AND ORGANIZATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 2021, the members of our Compensation and Organization Committee were Raymond Huggenberger, Richard Nigon and Sheri Dodd, none of whom is or has been our current or former officer or employee or was involved in a relationship requiring disclosure as an interlocking director or under Item 404 of Regulation S-K.

POLICY FOR APPROVAL OF RELATED PERSON TRANSACTIONS

Our Board of Directors has adopted a written statement of policy regarding transactions with related persons, which we refer to as our related person policy. Our related person policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness or employment by us of a related person. An executive officer is to present a transaction with a related party to the Audit Committee, which is then responsible for approving or denying the transaction. The Audit Committee bases its decision on factors including but not limited to the following:

- whether the terms are fair to our Company;
- the role the related person has played in arranging the transaction;
- the structure of the transaction; and
- the interests of all related persons in the transaction.

TRANSACTIONS WITH RELATED PERSONS

Since January 1, 2021, we have not been a party to any, and there are no currently proposed, transactions in which the amount exceeded or will exceed \$120,000, and in which any director, executive officer or holder of more than 5% of any class of our voting stock, or any member of the immediate family of or entities affiliated with any of them, had or will have a material interest.

Indemnification Agreements. Our Certificate of Incorporation contains provisions limiting the liability of directors, and our Certificate of Incorporation and our By-Laws provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our Certificate of Incorporation and By-Laws also provide our Board of Directors with discretion to indemnify our employees and agents when determined appropriate by the Board. In addition, we have entered into agreements to indemnify our directors and executive officers.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

The following questions and answers are intended to address briefly some commonly asked questions regarding the Annual Meeting and the matters to be voted on at the Annual Meeting or at any adjournments or postponements thereof. We urge you to read the remainder of this Proxy Statement carefully because the information in this section does not provide all information that might be important to you. Please refer to the more detailed information contained elsewhere in this Proxy Statement and the documents referred to in this Proxy Statement, which you should read carefully.

WHAT IS THE PURPOSE OF THE ANNUAL MEETING?

The Annual Meeting is being held for the purpose of considering and taking action with respect to the following:

1. to elect seven directors, Bill Burke, Valerie Asbury, Sheri Dodd, Raymond Huggenberger, Deepti Jain, Daniel Reuvers, and Brent Shafer, to serve until the 2023 Annual Meeting of Stockholders and until their successors are duly elected and qualified, subject to their earlier death, resignation or removal;
2. to ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022;
3. to approve, on an advisory basis, the 2021 compensation of our named executive officers as disclosed in this Proxy Statement; and
4. to transact such other business as may properly come before the meeting or at any and all adjournments or postponements thereof.

WHO IS ENTITLED TO VOTE AT THE ANNUAL MEETING?

As of the close of business on March 14, 2022, the record date for determination of stockholders entitled to vote at the Annual Meeting, there were outstanding 19,926,244 shares of our common stock, par value \$0.001 per share, all of which are entitled to vote with respect to all matters to be acted upon at the Annual Meeting. Each stockholder of record is entitled to one vote for each share of our common stock held by such stockholder.

WHAT CONSTITUTES A QUORUM FOR THE ANNUAL MEETING?

Our Amended and Restated By-Laws (the “By-Laws”) provide that a majority of the voting power of the shares of stock issued and outstanding and entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Under the General Corporation Law of the State of Delaware (the “DGCL”), shares that are voted “abstain” or “withheld” and broker “non-votes” are counted as present for purposes of determining whether a quorum is present at the Annual Meeting.

WHAT IS THE DIFFERENCE BETWEEN A “STOCKHOLDER OF RECORD” AND A “STREET NAME” HOLDER?

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank or other nominee, then the broker, bank or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In that case, your shares are said to be held in “street name.”

WHAT ARE BROKER NON-VOTES?

If your shares are held in “street name,” your broker, bank or other nominee is required to vote your shares according to your instructions. If you do not give instructions to your broker, bank or other nominee, it will still be able to vote your shares with respect to certain “discretionary” items, but will not be allowed to vote your shares with respect to “non-discretionary” items. Proposals 1 and 3 are “non-discretionary” items. If you do not instruct your broker, bank or other nominee how to vote with respect to those proposals, it may not vote for those proposals, and those votes will be counted as broker “non-votes.” Proposal 2 is considered to be a discretionary item, and your broker, bank or other nominee will be able to vote on this proposal even if it does not receive instructions from you.

WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?

The following sets forth the votes that are required from the holders of common stock to approve each of the proposals, and the impact of abstentions and broker non-votes:

Proposal Number	Subject	Vote Required	Impact of Abstentions and Broker Non-Votes, if any
1	Election of directors	Directors will be elected by a plurality of the votes cast. The nominees receiving the most FOR votes will be elected.	Abstentions and broker non-votes will not count as votes cast on the proposal and will not affect the outcome of the vote.
2	Ratification of appointment of independent registered public accounting firm	The holders of a majority of the shares present in person or by proxy at the meeting and entitled to vote must vote FOR to approve the proposal.	Abstentions will have the same effect as votes cast AGAINST the proposal. Broker non-votes will not affect the outcome of the vote.
3	Advisory vote to approve the compensation of our named executive officers	The holders of a majority of the shares present in person or by proxy at the meeting and entitled to vote must vote FOR to approve the proposal.	Abstentions will have the same effect as votes cast AGAINST the proposal. Broker non-votes will not affect the outcome of the vote.

WHAT ARE THE BOARD OF DIRECTORS' RECOMMENDATIONS ON HOW I SHOULD VOTE MY SHARES?

- *Proposal 1:* **FOR** all nominees for election as directors.
- *Proposal 2:* **FOR** the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022.
- *Proposal 3:* **FOR** the advisory vote to approve the compensation of our named executive officers.

HOW CAN I VOTE?

During the Annual Meeting

If you are a stockholder of record, you may vote online during the Annual Meeting through the link: www.virtualshareholdermeeting.com/TCMD2022. The 16-digit control number provided on your Notice of Internet Availability of Proxy Materials or proxy card is necessary to access this site.

By Proxy

If you do not wish to vote in person or will not be attending the meeting, you may vote by proxy through the following means.

You can vote your shares by proxy:

- by mailing a proxy card;
- via the internet; or
- over the telephone.

Please refer to the specific instructions set forth on the Notice or printed proxy materials. For security reasons, our electronic voting system has been designed to authenticate your identity as a stockholder. If you hold your shares through a broker, bank or other nominee, the firm that holds your shares will provide you with materials and instructions for voting your shares.

If you complete and submit your proxy before the meeting, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy without giving voting instructions, your shares will be voted in the manner recommended by the Board of Directors on all matters presented in this Proxy Statement, and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented at the meeting.

CAN I CHANGE MY VOTE AFTER I HAVE SUBMITTED A PROXY?

If you are a stockholder of record, you may revoke your proxy by (1) following the instructions on the Notice or proxy card, as applicable, and entering a new vote by mail, over the internet or by phone by the time specified on the Notice or proxy card, as applicable, (2) sending a written notice of revocation to Broadridge Financial Solutions, Inc., 51

Mercedes Way, Edgewood, New York 11717, or (3) virtually attending the Annual Meeting and voting (although attendance at the Annual Meeting will not in and of itself revoke a proxy).

If a broker, bank or other nominee holds your shares, you must contact them in order to find out how to revoke or change your vote.

WHAT HAPPENS IF ADDITIONAL MATTERS ARE PRESENTED AT THE ANNUAL MEETING?

If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named as proxies will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at the Annual Meeting.

WHO IS PAYING FOR THE COST OF THIS PROXY SOLICITATION?

The Company is making this solicitation and will pay the entire cost of preparing and distributing the Notice and these proxy materials and soliciting votes. If you choose to access the proxy materials or vote over the internet, you are responsible for any internet access charges that you may incur. Our directors, officers and employees may, without compensation other than their regular compensation, solicit proxies through further mailings, personal conversations, facsimile transmissions, e-mails, or otherwise.

WHAT IS THE DEADLINE FOR SUBMITTING A STOCKHOLDER PROPOSAL FOR THE 2023 ANNUAL MEETING?

Any stockholder proposal intended to be included in the Proxy Statement for the 2023 Annual Meeting of Stockholders must satisfy the SEC regulations under Rule 14a-8 of the Securities Exchange Act of 1934 (the "Exchange Act"), and be received no later than November 28, 2022.

In addition, our By-Laws contain advance notice provisions requiring a stockholder who wishes to present a proposal or nominate directors at our next Annual Meeting of Stockholders (whether or not to be included in the Proxy Statement) to comply with certain requirements, including providing timely written notice thereof in accordance with our By-Laws. To be timely for our 2023 Annual Meeting of Stockholders, any such proposal must be delivered in writing to our Corporate Secretary at our principal executive offices between the close of business on January 9, 2023 and the close of business on February 8, 2023. If the date of the next Annual Meeting of Stockholders is more than 30 days before or more than 60 days after the first anniversary of the 2022 Annual Meeting of Stockholders, then notice by the stockholder must be delivered no earlier than the close of business on the 120th day prior to the date of such Annual Meeting and not later than the close of business on the later of (1) the 90th day prior to the date of such Annual Meeting or (2) the 10th day following the day on which public announcement of the date of such meeting is first made.

HOUSEHOLDING OF PROXY MATERIALS

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of the Notice of Internet Availability of Proxy Materials, Proxy Statement and 2021 Annual Report to Stockholders, as applicable, is being delivered to multiple stockholders sharing an address unless we have received contrary instructions. We will promptly deliver a separate copy of any of these documents to you if you write to us at Tactile Systems Technology, Inc., 3701 Wayzata Boulevard, Suite 300, Minneapolis, Minnesota 55416, Attention: Corporate Secretary or call us at (612) 355-5100. If you want to receive separate copies of the Notice of Internet Availability of Proxy Materials, Proxy Statement, or 2021 Annual Report to Stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your broker, bank or other nominee record holder, or you may contact us at the above address or telephone number.

AVAILABILITY OF FORM 10-K

Stockholders may receive, without charge, a copy of our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC, including financial statements (and excluding exhibits, which are available for a reasonable fee), by written request to our Corporate Secretary at Tactile Systems Technology, Inc., 3701 Wayzata Boulevard, Suite 300, Minneapolis, Minnesota 55416. Our Form 10-K is also available on our website in the “Investors—Annual Reports & SEC Filings” section of our website at www.tactilemedical.com.

INCORPORATION BY REFERENCE

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act or the Exchange Act that may incorporate future filings (including this Proxy Statement, in whole or in part), the Audit Committee Report and the Compensation and Organization Committee Report included in this Proxy Statement shall not be incorporated by reference in any such filings.

Tactile MEDICAL®

TACTILE SYSTEMS TECHNOLOGY, INC.
3701 WAYZATA BLVD.
SUITE 300
MINNEAPOLIS, MN 55416



SCAN TO
VIEW MATERIALS & VOTE



VOTE BY INTERNET

Before The Meeting - Go to www.proxyvote.com or scan the QR Barcode above

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on May 8, 2022. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdersmeeting.com/TCMD2022

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on May 8, 2022. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK, AS FOLLOWS:

D75418-P660B7

KEEP THIS PORTION FOR YOUR RECORDS
DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

TACTILE SYSTEMS TECHNOLOGY, INC.

The Board of Directors recommends you vote **FOR** the following:

For All Withhold All For All Except

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

1. Elect seven directors

Nominees:

01) Valerie Asbury	05) Deepthi Jain
02) Bill Burke	06) Daniel Reuvers
03) Sheri Dodd	07) Brent Shafer
04) Raymond Huggenberger	

The Board of Directors recommends you vote **FOR** proposals 2 and 3.

For Against Abstain

2. Ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2022.

3. Approve, on an advisory basis, the 2021 compensation of our named executive officers.

NOTE: In their discretion, the proxies are authorized to vote on such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature (PLEASE SIGN WITHIN BOX) Date

Signature (Joint Owners) Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement and the Annual Report are available at www.proxyvote.com.

D75419-P66087

TACTILE SYSTEMS TECHNOLOGY, INC.
Annual Meeting of Stockholders
May 9, 2022 9:00 AM
This proxy is solicited on behalf of the Board of Directors

The stockholder(s) hereby appoint(s) Daniel L. Reuvers and Brent A. Moen, or either of them, as proxies, each with the power to appoint their substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side hereof, all of the shares of Common Stock of TACTILE SYSTEMS TECHNOLOGY, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held virtually at 9:00 AM, CDT on May 9, 2022, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side