

1 ROBBINS ARROYO LLP  
BRIAN J. ROBBINS (190264)  
KEVIN A. SEELY (199982)  
2 ASHLEY R. PALMER (246602)  
600 B Street, Suite 1900  
3 San Diego, CA 92101  
Telephone: (619) 525-3990  
4 Facsimile: (619) 525-3991

5 ROBBINS GELLER RUDMAN & DOWD LLP  
TRAVIS E. DOWNS III (148274)  
6 ELLEN GUSIKOFF STEWART (144892)  
BENNY C. GOODMAN III (211302)  
7 BRIAN O. O'MARA (229737)  
655 West Broadway, Suite 1900  
8 San Diego, CA 92101-3301  
Telephone: (619) 231-1058  
9 Facsimile: (619) 619/231-7423

10 Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN DIEGO

13 In re ALPHATEC HOLDINGS, INC. ) Case No. 37-2010-00058586-CU-BT-NC  
DERIVATIVE SHAREHOLDER )  
14 LITIGATION ) (Consolidated with Case No. 37-2010-  
00062262-CU-BT-NC)

15 \_\_\_\_\_ )  
16 This Document Relates To: ) NOTICE OF PROPOSED SETTLEMENT

17 ALL ACTIONS. )

18 ) Judge: Jacqueline M. Stern

19 ) Dept: N-27

20 ) Date Action Filed: August 25, 2010

1 **TO: ALL CURRENT RECORD SHAREHOLDERS AND THE BENEFICIAL OWNERS**  
2 **OF THE COMMON STOCK OF ALPHATEC HOLDINGS, INC. (“ALPHATEC” OR**  
3 **THE “COMPANY”) AS OF MARCH 25, 2014 (THE “RECORD DATE”**  
4 **(“CURRENT ALPHATEC SHAREHOLDERS”)**

5 **PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS**  
6 **NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF THE**  
7 **ABOVE-CAPTIONED SHAREHOLDER DERIVATIVE ACTION (THE “ACTION”**  
8 **BY ENTRY OF THE JUDGMENT BY THE COURT AND CONTAINS**  
9 **IMPORTANT INFORMATION REGARDING YOUR RIGHTS. YOUR RIGHTS**  
10 **MAY BE AFFECTED BY THESE LEGAL PROCEEDINGS. IF THE COURT**  
11 **APPROVES THE SETTLEMENT, YOU WILL BE FOREVER BARRED FROM**  
12 **CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND**  
13 **FROM PURSUING THE RELEASED CLAIMS.**

14 **IF YOU HOLD ALPHATEC COMMON STOCK FOR THE BENEFIT OF**  
15 **ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH**  
16 **BENEFICIAL OWNER.**

17 **THE RECITATION OF THE BACKGROUND AND CIRCUMSTANCES OF THE**  
18 **SETTLEMENT CONTAINED HEREIN DOES NOT CONSTITUTE THE FINDINGS**  
19 **OF THE COURT. IT IS BASED ON REPRESENTATIONS MADE TO THE**  
20 **COURT BY COUNSEL FOR THE PARTIES.**

21 Notice is hereby provided to you of the proposed settlement (the “Settlement”) of the above-  
22 referenced shareholder derivative lawsuit. This Notice is provided by Order of the California  
23 Superior Court for the County of San Diego (the “Court”). It is not an expression of any opinion by  
24 the Court. It is to notify you of the terms of the proposed Settlement, and your rights related  
25 thereto.

26 **I. WHY THE COMPANY HAS ISSUED THIS NOTICE**

27 Your rights may be affected by the Settlement of the action entitled *In re Alphatec Holdings,*  
28 *Inc. Derivative Shareholder Litigation*, Lead Case No. 37-2010-00058586-CU-BT-NC  
(consolidated with Case No. 37-2010-00062262-CU-BT-NC) (the “Action”). Plaintiffs Patrick  
Fero and Ralph Tuckfield (on behalf of themselves and derivatively on behalf of Alphatec)  
 (“Plaintiffs”), individual defendants Dirk Kuyper, Peter C. Wulff, Mortimer Berkowitz, III, John H.  
 Foster, R. Ian Molson, Stephen E. O’Neil, Stephen H. Hochschuler, James R. Glynn, Rohit M.  
 Desai and Siri S. Marshall (“Individual Defendants”), defendant HealthpointCapital LLC  
 (“HealthpointCapital”), and nominal defendant Alphatec have agreed upon terms to settle the  
 Action and have signed a written Stipulation of Settlement (“Stipulation”) setting forth those

1 settlement terms. Together, the Individual Defendants, nominal defendant Alphatec, and  
2 HealthpointCapital are referred to as “Defendants.”

3 On August 15, 2014, at 1:30 p.m., Department N-27, the Court will hold a hearing (the  
4 “Settlement Hearing”) in the Action. The purpose of the Settlement Hearing is to determine:  
5 (i) whether the terms of the Settlement are fair, reasonable, and adequate and should be approved;  
6 (ii) whether a final judgment should be entered; and (iii) such other matters as may be necessary or  
7 proper under the circumstances.

## 8 **II. SUMMARY OF THE ACTION**

### 9 **A. Initiation of the Action**

10 On August 25, 2010 and November 30, 2010 respectively, Plaintiffs Patrick Fero and Ralph  
11 Tuckfield filed shareholder derivative complaints in the California Superior Court for the County of  
12 San Diego: *Fero v. Kuyper*, Case No. 37-2010-00058586-CU-BT-NC (the “*Fero* Action”) and  
13 *Tuckfield v. Kuyper*, Case No. 37-2010-00062262-CU-BT-NC (the “*Tuckfield* Action”). Thereafter,  
14 on December 22, 2010, the Court consolidated the *Fero* and *Tuckfield* Actions, and designated *In re*  
15 *Alphatec Holdings, Inc. Derivative Shareholder Litigation*, Lead Case No. 37-2010-00058586-CU-  
16 BT-NC, as the lead case.

17 The operative Complaint in the Action asserts claims on behalf of Alphatec against  
18 Defendants for, among other things, breaching their fiduciary duties of candor, loyalty and good  
19 faith owed to Alphatec by acquiring Scient’x, S.A. (“Scient’x”) from Alphatec’s alleged controlling  
20 shareholder, HealthpointCapital. More specifically, the Complaint alleges that in late 2009,  
21 Alphatec announced the acquisition of Scient’x for \$120.4 million in stock, despite Scient’x’s lack  
22 of foreseeable profitability and its offering no significant benefit to Alphatec and/or its ongoing  
23 business operations. The Complaint asserts that at the time of the transaction, five of the nine  
24 members of the Alphatec Board of Directors (“Board”) were affiliated with HealthpointCapital,  
25 then the owner of Scient’x. The Complaint further alleges that the Alphatec Board’s approval of the  
26 Scient’x acquisition was never in doubt, despite its likely adverse material effects on Alphatec.

1 The Complaint asserts that in order to obtain approval of the Scient’x acquisition from  
2 Alphatec shareholders in connection with Alphatec’s announcement of the Scient’x acquisition,  
3 Defendants made allegedly false and misleading revenue and income projections for the combined  
4 company.

5 According to the Complaint, after closing the Scient’x acquisition, Alphatec encountered  
6 severe problems integrating the international operations, personnel and products of Scient’x.  
7 Additionally, Alphatec was under significant pricing pressure. As a result, on August 5, 2010,  
8 when Alphatec announced poor quarterly results and severely reduced revenue and income  
9 guidance for the post-Scient’x acquisition combined companies, the trading price of Alphatec stock  
10 collapsed.

11 **B. Discovery and Pretrial Proceedings**

12 Discovery in the Action commenced in September 2010. On September 10, 2010, Plaintiff  
13 Fero served a First Request for Production of Documents on Alphatec and HealthpointCapital,  
14 seeking documents and information relevant to the derivative claims asserted in the Action. On  
15 November 10, 2010, Alphatec and HealthpointCapital served objections to the document requests.  
16 Thereafter, the meet and confer process regarding Plaintiffs’ discovery ensued.

17 Ultimately, however, the meet and confer process failed and law and motion practice  
18 commenced. On April 29, 2011, Plaintiffs filed motions to compel the production of documents in  
19 response to their First Requests. In their motions, Plaintiffs argued, among other things, that  
20 Alphatec’s and HealthpointCapital’s objections to discovery lacked merit and only served to delay  
21 the prosecution of the Action. While the motions were pending, on August 4, 2011, Defendants  
22 filed a Motion to Stay the Action in favor of a pending federal securities class action filed in the  
23 U.S. District Court for the Southern District of California (the “District Court”), entitled *Mallen v.*  
24 *Alphatec Holdings, Inc.*, Case No. 10-cv-1673-BEN(KSC) (the “Securities Action”). On August  
25 15, 2011, Plaintiffs filed an Opposition to the Motion to Stay, arguing, among other things, that a  
26 stay would prejudice the derivative claims asserted in the Action. On August 26, 2011, the Court  
27  
28

1 stayed the Action in favor of the Securities Action. On March 28, 2013, after the Securities Action  
2 was dismissed by the District Court, litigation in the Action resumed.

3 **C. The Settlement Negotiations**

4 In May 2013, the Settling Parties began to renew efforts to explore resolution of the Action.  
5 The Settling Parties' previous settlement negotiations failed to produce a resolution. Towards that  
6 end, on May 3, 2013, the Settling Parties jointly requested a stay of proceedings to explore  
7 settlement, which the Court granted. The Settling Parties also agreed to schedule an all-day  
8 mediation on August 7, 2013, with the Honorable Layn R. Phillips, United States District Judge  
9 (Ret.). Judge Phillips is an experienced mediator with extensive experience in handling complex  
10 representative actions, including shareholder derivative actions.

11 Before the mediation with Judge Phillips, the Settling Parties engaged in extensive  
12 negotiations regarding a potential settlement. These negotiations included, among other things,  
13 lengthy discussions concerning the Defendants' alleged breaches of fiduciary duty and defenses  
14 thereto. In addition, before the mediation, the Settling Parties also engaged in extensive briefing  
15 regarding the merits of their respective claims and defenses for Judge Phillips.

16 Although the August 7, 2013 mediation did not produce a resolution, settlement  
17 negotiations, under the supervision of Judge Phillips, continued until January 2014. The settlement  
18 negotiations were hard-fought, and, at times, contentious. Ultimately, the Settling Parties, with the  
19 substantial assistance of Judge Phillips, reached an agreement-in-principle to resolve the Action.

20 As a result of the Action and the Settlement, reflected in the Stipulation, Alphatec will  
21 institute significant Corporate Governance Reforms designed to enhance and improve its internal  
22 controls and systems, as well as the effectiveness and responsiveness of the Alphatec Board. The  
23 Settling Parties believe that a settlement at this juncture on the terms and on the conditions set forth  
24 in the Stipulation is fair, reasonable, and adequate.

25 The Alphatec Board has, in its business judgment, approved the Settlement, and each of its  
26 terms, as fair, just and adequate, and in the best interest of Alphatec and its shareholders.

1 **III. TERMS OF THE PROPOSED DERIVATIVE SETTLEMENT**

2 The principal terms, conditions, and other matters that are part of the Settlement, which are  
3 subject to approval by the Court, are summarized below. This summary should be read in  
4 conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation, which  
5 has been filed with the Court and is available at [www.Alphatec-spine.com](http://www.Alphatec-spine.com).

6 In connection with and conditioned upon the settlement of the Action, Alphatec has agreed  
7 to implement and/or maintain the Corporate Governance Reforms set forth below, which Alphatec  
8 shall implement and maintain for a period of not less than five (5) years. Alphatec and Defendants  
9 acknowledge and agree that the Action filed by Plaintiffs precipitated and was a material factor in  
10 the Corporate Governance Reforms described below. Alphatec and Defendants acknowledge and  
11 agree that the Corporate Governance Reforms confer a substantial benefit to Alphatec as part of the  
12 settlement of the Action.

13 Within thirty (30) days of the issuance of an Order approving the settlement of the Action,  
14 the Board of Directors (the "Board") of Alphatec shall adopt resolutions and amend committee  
15 charters to ensure adherence to the following Corporate Governance Reforms. Additionally, the  
16 Board shall post its Corporate Governance Reforms on its website within thirty (30) days of adoption  
17 and maintain a current version of such policies on its website.

18 **CHANGES TO ALPHATEC HOLDINGS, INC. MANAGEMENT**

19 (1) The following individuals who served as directors of Alphatec during the time  
20 periods relevant to the allegations of the Complaint, resigned: Mortimer Berkowitz, from his  
21 position as Chairman of the Board; Dirk Kuyper, from his position as Director; and Stephen H.  
22 Hochschuler, from his position as Director.

23 (2) The following individuals, who served as senior executives of Alphatec during the  
24 time periods relevant to the allegations of the Complaint, resigned: Dirk Kuyper (CEO) and Peter  
25 Wulff (Senior VP of Strategic Initiatives).

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**SEPARATE CHAIRMAN AND CEO**

(3) The Board shall adopt a resolution by no later than June 30, 2014, that requires the positions of CEO and Chairman to be held by separate persons beginning no later than June 30, 2015, or if the same person holds those positions, that a Lead Independent Director be appointed.

**RELATED PARTY TRANSACTIONS**

(4) Directors shall be prohibited from participating in any negotiations of transactions between the Company and any entity with which the director has a relationship that gives rise to an actual or apparent conflict of interest.

(5) All related-party transactions shall be subject to review and oversight by an independent committee of the Alphatec Board.

(6) The Board or a Committee of the Board shall engage an independent third party to conduct financial due diligence and valuations of all proposed Alphatec mergers, acquisitions, and investment transactions over \$10 million.

(7) All related party transactions of more than \$250,000 are to be reviewed by at least two independent directors or the Audit Committee no less than five days before consummation of the proposed related party transaction, or upon agreement if less than five days between agreement and consummation, and the independent directors' approval or disapproval of the proposed related party transaction are to be fully disclosed in the Company's next annual or quarterly report immediately following the approval or disapproval of the proposed related party transaction.

(8) The adoption of amendments to the Code of Ethics for Senior Financial Officers in 2012, which amendments require that Senior Financial Officers report to the Chairman of the Audit Committee any transaction that reasonably could be expected to give rise to a conflict of interest, and produce, or cause to be produced, full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with or submits to the Securities and Exchange Commission and in other public filings.

## DIRECTORS

1  
2 (9) A majority of the directors on the Board shall be independent as defined by  
3 NASDAQ Rule 5605(a)(2), which, in relevant part, is set forth below.

4 “Independent Director” means a person other than an Executive Officer or employee  
5 of the Company or any other individual having a relationship which, in the opinion  
6 of the Company’s board of directors, would interfere with the exercise of  
7 independent judgment in carrying out the responsibilities of a director. For purposes  
8 of this rule, “Family Member” means a person’s spouse, parents, children and  
9 siblings, whether by blood, marriage or adoption, or anyone residing in such person’s  
10 home. The following persons shall not be considered independent:

11 (A) a director who is, or at any time during the past three years was,  
12 employed by the Company;

13 (B) a director who accepted or who has a Family Member who accepted any  
14 compensation from the Company in excess of \$120,000 during any period of  
15 twelve consecutive months within the three years preceding the determination  
16 of independence, other than the following:

17 (i) compensation for board or board committee service;

18 (ii) compensation paid to a Family Member who is an employee  
19 (other than an Executive Officer) of the Company; or

20 (iii) benefits under a tax-qualified retirement plan, or non-  
21 discretionary compensation.

22 Provided, however, that in addition to the requirements contained in this paragraph  
23 (B), audit committee members are also subject to additional, more stringent  
24 requirements under Rule 5605(c)(2).

25 (C) a director who is a Family Member of an individual who is, or at any time  
26 during the past three years was, employed by the Company as an Executive  
27 Officer;

28 (D) a director who is, or has a Family Member who is, a partner in, or a  
controlling Shareholder or an Executive Officer of, any organization to which  
the Company made, or from which the Company received, payments for  
property or services in the current or any of the past three fiscal years that  
exceed 5% of the recipient’s consolidated gross revenues for that year, or  
\$200,000, whichever is more, other than the following:

(i) payments arising solely from investments in the Company’s  
securities; or

(ii) payments under non-discretionary charitable contribution  
matching programs.

(E) a director of the Company who is, or has a Family Member who is,  
employed as an Executive Officer of another entity where at any time during  
the past three years any of the Executive Officers of the Company serve on  
the compensation committee of such other entity; or

1 (F) a director who is, or has a Family Member who is, a current partner of the  
2 Company's outside auditor, or was a partner or employee of the Company's  
3 outside auditor who worked on the Company's audit at any time during any  
4 of the past three years.

5 (10) The Audit, Compensation, and Nominating Committees of the Board shall be  
6 comprised entirely of independent directors as defined by NASDAQ Rule 5605(a)(2).

7 (11) The independent directors shall certify their independence in writing annually and  
8 will notify the Chairman of any change in status.

9 (12) The independent directors shall meet separately at least twice a year in conjunction  
10 with regularly scheduled meetings of the Board.

11 (13) The Board and all Board committees shall conduct an annual self-evaluation.

12 (14) The performance of the Chairman shall be evaluated annually by the Board.

13 (15) All directors shall attend at least three-fourths of Board meetings in any calendar  
14 year. Directors who fail to attend three-fourths of Board meetings in any calendar year must  
15 disclose in the annual proxy statement the reasons for their inability to attend.

#### 16 **DIRECTOR EDUCATION**

17 (16) During 2014, the Board shall have an educational session on corporate  
18 governance/directors duties which will be led by an outside consultant hired for this purpose. This  
19 can be done in conjunction with a regularly scheduled board meeting or in a separate session  
20 specially set.

#### 21 **AUDIT COMMITTEE**

22 (17) The Chairman of the Audit Committee shall meet quarterly with the Company's  
23 Director of Internal Audit.

24 (18) The Audit Committee shall review and discuss earnings press releases, and the  
25 Chairman of the Audit Committee shall be required to give final approval of any earnings press  
26 releases before they are made public.

27 (19) The Audit Committee shall review financial information and earnings guidance  
28 provided to analysts and credit rating agencies and make a recommendation to management and to  
the Board.

1 (20) The Audit Committee shall be directly responsible for the oversight of the registered  
2 public accounting firm engaged to prepare or issue an audit report or perform other audit services.

3 (21) The Audit Committee Report shall state that the Audit Committee has:

- 4 (a) reviewed and discussed the audit financial statements with management;
- 5 (b) discussed the matters that are required to be communicated by Statement on  
6 Auditing Standards No. 61, “Communications with Audit Committees” with the external auditor;
- 7 (c) received the written disclosures and the letter from the external auditor on  
8 independence matters as required by ISB Standard No. 1, “Independence Discussions and Audit  
9 Committees”;
- 10 (d) discussed independence issues with the external auditor; and
- 11 (e) recommended to the Board that the audited financial statements be filed with  
12 the SEC.

13 The Stipulation provides for the entry of the Judgment dismissing the Action against the  
14 Defendants with prejudice and, as explained in more detail in the Stipulation, barring and releasing  
15 certain known or unknown claims that have been or could have been brought in any court by the  
16 Plaintiffs in the Action on behalf of Alphatec or by Alphatec, or any of its shareholders, against  
17 Alphatec and the Defendants relating to any of the claims or matters that were or could have been  
18 alleged or asserted in the pleadings or papers filed in the Action. The Stipulation further provides  
19 that the entry of the Judgment will bar and release any known or unknown claims that have been or  
20 could have been brought in any court by the Defendants and Alphatec against Plaintiffs or  
21 Plaintiffs’ Counsel related to any of the claims or matters that were or could have been alleged or  
22 asserted in any of the pleadings or papers filed in the Action or based upon or arising out of the  
23 institution, prosecution, assertion, settlement, or resolution of the Action.

24 **IV. PLAINTIFFS’ COUNSEL’S ATTORNEYS’ FEES AND EXPENSES**

25 After negotiating the Corporate Governance Reforms, Lead Counsel and Alphatec, with the  
26 assistance of Judge Phillips, separately negotiated the attorneys’ fees and expenses the Company  
27 would pay to Plaintiffs’ Counsel. The Company has agreed to pay \$5,250,000 for Plaintiffs’  
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1 Counsel's attorneys' fees and expenses, subject to court approval ("Fees and Expenses"). The Fees  
2 and Expenses includes fees and expenses incurred by Plaintiffs' Counsel in connection with the  
3 prosecution and settlement of the Action. To date, Plaintiffs' Counsel have not received any  
4 payments for their efforts on behalf of Alphatec and its shareholders. The Fees and Expenses will  
5 compensate Plaintiffs' Counsel for the results achieved in the Action.

6 **V. REASONS FOR THE SETTLEMENT**

7 Counsel for the Settling Parties believe that the Settlement is in the best interests of Alphatec  
8 and its shareholders.

9 **A. Why Did Plaintiffs Agree to Settle?**

10 Plaintiffs and their counsel believe that the claims asserted in the Action have merit.  
11 However, Plaintiffs and their counsel recognize and acknowledge the expense and length of  
12 continued proceedings necessary to prosecute the Action against the Defendants through trial and  
13 appeal. Plaintiffs and their counsel also have taken into account the uncertain outcome and the risk  
14 of any litigation, especially in a complex action such as the Action, as well as the difficulties and  
15 delays inherent in such litigation. Plaintiffs and their counsel also are mindful of the inherent  
16 problems of proof of, and possible defenses to, the violations asserted in the Action. Based on  
17 Plaintiffs' and their counsel's understanding of the facts, the Settlement provides an excellent  
18 recovery based on the alleged conduct of the Defendants. Based on their evaluation, Plaintiffs and  
19 their counsel and Alphatec have determined that the Settlement set forth in the Stipulation is in the  
20 best interests of Alphatec and its shareholders.

21 **B. Why Did the Defendants Agree to Settle?**

22 Defendants have denied and continue to deny each and every one of the claims, contentions,  
23 and allegations made against them or that could have been made against them in the Action, and  
24 expressly deny all charges of wrongdoing or liability against them. Defendants assert that they have  
25 satisfied their fiduciary duties at all relevant times, have acted in good faith and in the best interests  
26 of Alphatec and its shareholders, have meritorious defenses to Plaintiffs' claims, and that judgment  
27 should be entered dismissing all claims against them with prejudice. Defendants also have denied  
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1 and continue to deny, among other things, the allegations that Plaintiffs, Alphatec or its  
2 shareholders have suffered damage, or that Plaintiffs, Alphatec or its shareholders were harmed by  
3 the conduct alleged in the Action. Defendants have thus entered into the Stipulation solely to avoid  
4 the continuing additional expense, inconvenience, and distraction of this litigation and to avoid the  
5 risks inherent in any lawsuit, and without admitting any wrongdoing or liability whatsoever.

6 **VI. SETTLEMENT HEARING**

7 On August 15, 2014, at 1:30 p.m., the Court will hold the Settlement Hearing before the  
8 Honorable Jacqueline M. Stern in Department N-27 of the Superior Court of the State of California  
9 for the County of San Diego, 325 South Melrose Drive, Vista, CA 92081. At the Settlement  
10 Hearing, the Court will consider whether the terms of the Settlement are fair, reasonable, and  
11 adequate and thus should be finally approved, whether the Fees and Expenses should be approved,  
12 and whether the Action should be dismissed with prejudice by entry of the Judgment pursuant to the  
13 Stipulation.

14 **VII. RIGHT TO ATTEND SETTLEMENT HEARING**

15 Any current Alphatec shareholder may, but is not required to, appear in person at the  
16 Settlement Hearing. If you want to be heard at the Settlement Hearing, then you must first comply  
17 with the procedures for objecting, which are set forth below. The Court has the right to change the  
18 hearing dates or times without further notice. Thus, if you are planning to attend the Settlement  
19 Hearing, you should confirm the date and time before going to the Court. ***ALPHATEC***  
20 ***SHAREHOLDERS WHO HAVE NO OBJECTION TO THE SETTLEMENT DO NOT NEED***  
21 ***TO APPEAR AT THE SETTLEMENT HEARING OR TAKE ANY OTHER ACTION.***

22 **VIII. RIGHT TO OBJECT TO THE SETTLEMENT AND PROCEDURES FOR**  
23 **DOING SO**

24 You have the right to object to any aspect of the Settlement. You must object in writing,  
25 and you may request to be heard at the Settlement Hearing. If you choose to object, then you must  
26 follow these procedures.

27 **A. You Must Make Detailed Objections in Writing**

28 Any objections must be presented in writing and must contain the following information:

- 1 1. Your name, legal address, and telephone number;
- 2 2. Proof of being a current Alphatec shareholder as of March 25, 2014;
- 3 3. A statement of the basis of your objection to the Settlement;
- 4 4. Notice of whether you intend to appear at the Settlement Hearing (this is not required
- 5 if you have lodged your objection with the Court); and
- 6 5. Copies of any papers you intend to submit to the Court.

7 The Court may not consider any objection that does not substantially comply with these  
8 requirements.

9 **B. You Must Timely Deliver Written Objections to the Court and Counsel  
10 for Plaintiffs, the Individual Defendants and Alphatec**

11 YOUR WRITTEN OBJECTIONS MUST BE ON FILE WITH THE CLERK OF THE  
12 COURT NO LATER THAN August 1, 2014. The Court Clerk's address is:

13 Clerk of the Court  
14 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
15 COUNTY OF SAN DIEGO  
16 325 South Melrose Drive  
17 Vista, CA 92081

18 YOU ALSO MUST DELIVER COPIES OF THE MATERIALS TO COUNSEL FOR  
19 PLAINTIFFS, THE INDIVIDUAL DEFENDANTS AND ALPHATEC SO THEY ARE  
20 RECEIVED NO LATER THAN August 1, 2014. Counsel's addresses are:

21 ***Counsel for Plaintiffs:***

22 Brian J. Robbins  
23 ROBBINS ARROYO LLP  
24 600 B Street, Suite 1900  
25 San Diego, CA 92101

26 Ellen Gusikoff Stewart  
27 ROBBINS GELLER RUDMAN  
28 & DOWD LLP  
655 West Broadway, Suite 1900  
San Diego, CA 92101

***Counsel for Defendants Dirk Kuyper, Peter C. Wulff, Stephen H.  
Hochschuler, Rohit M. Desai, and Nominal Defendant Alphatec Holdings,  
Inc.:***

Colleen C. Smith  
LATHAM & WATKINS LLP  
12670 High Bluff Drive

1 San Diego, CA 92130

2 *Counsel for Defendants HealthpointCapital, LLC, Mortimer Berkowitz, III,*  
3 *John H. Foster, R. Ian Molson and Stephen E. O'Neil:*

4 Nina Locker  
5 WILSON SONSINI GOODRICH & ROSATI  
6 650 Page Mill Road  
7 Palo Alto, CA 94304

8 *Counsel for Defendants Siri S. Marshall and James R. Glynn:*

9 Sara B. Brody  
10 SIDLEY AUSTIN LP  
11 555 California Street  
12 San Francisco, CA 94104

13 Unless the Court orders otherwise, your objection will not be considered unless it is timely filed  
14 with the Court and delivered to the above-referenced counsel for the Settling Parties.

15 Any Person or entity who fails to object or otherwise request to be heard in the manner  
16 prescribed above will be deemed to have waived the right to object to any aspect of the Settlement  
17 or otherwise request to be heard (including the right to appeal) and will be forever barred from  
18 raising such objection or request to be heard in this or any other action or proceeding.

19 **IX. HOW TO OBTAIN ADDITIONAL INFORMATION**

20 This Notice summarizes the Stipulation. It is not a complete statement of the events of the  
21 Action or the Stipulation.

22 You may inspect the Stipulation and other papers in the Action at the Superior Court of the  
23 State of California for the County of San Diego Clerk's office at any time during regular business  
24 hours of each business day. The Clerk's office is located at the Superior Court of the State of  
25 California for the County of San Diego, 325 South Melrose Drive, Vista, CA 92081. However, you  
26 must appear in person to inspect these documents. The Clerk's office will not mail copies to you.  
27 You may also view and download the Stipulation at [www.Alphatec-spine.com](http://www.Alphatec-spine.com).

28 If you have any questions about matters in this Notice you may contact in writing Darnell R.  
Donahue, Robbins Arroyo LLP, 600 B Street, Suite 1900, San Diego, CA 92101 or contact by  
telephone at 1-619-525-3990.

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PLEASE DO NOT CALL, WRITE, OR OTHERWISE DIRECT QUESTIONS TO EITHER  
THE COURT OR THE CLERK'S OFFICE.

DATED: April 25, 2014

BY ORDER OF THE COURT  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SAN DIEGO