



ALPHATEC SPINE, INC.
POLICY ON INTERACTIONS WITH INTERNATIONAL HCPs

1. Definitions

- 1.1 "Applicable Laws" means the laws, rules and regulations that apply to the activity or conduct in question.
- 1.2 "Chief Compliance Officer" is the senior-most employee at the Company who is responsible for all matters related to International HCP compliance. Currently, this is the Company's General Counsel.
- 1.3 "Company" means Alphatec Spine, Inc. and its subsidiaries and affiliates.
- 1.4 "Employee" means any person who is employed by the Company.
- 1.5 "Intermediary" means any individual or entity that participates in the marketing of the Company's products and who interacts with any International Healthcare Professional including without limitation, consultants, distributors and agents.
- 1.6 "International HCP" means any healthcare professional practicing in the medical field outside the United States, including without limitation: physicians, surgeons, nurses, anesthesiologists, pharmacists, physiotherapists, radiologists, orthopedists, medical associations, members of committees under the Ministry of Health, as well as the occasional consultants of such committees (e.g., experts).
- 1.7 "Policy" means this document, which is designed to guide Employees and intermediaries during interactions with International HCPs.

2. Purpose

The Company is engaged in the design, marketing and sale of medical devices. As part of its activities, the Company interacts with International HCPs. The Company is committed to the principles of ethics, integrity, honesty and professionalism. Accordingly, the Company has established this Policy to strictly monitor and control interactions with International HCPs. The purpose of this Policy is to protect the Company from interactions or behaviors that could lead to a violation of Applicable Laws.

3. The general rule

The Company specifically prohibits each of its Employees and Intermediaries from providing and/or offering any improper payment or benefit, directly or indirectly, in an express or implied manner, in any form whatsoever, to International HCPs. This Policy applies to Intermediaries in the same manner as it applies to Employees.

4. Exceptions to the general rule

4.1 The general rule does not apply to the following situations (the "Authorized Activities"), provided that the procedures set forth in this Policy are followed:

- Consulting services defined in Appendix 2;
- Hospitality defined in Appendix 3;
- Donations defined in Appendix 4, and
- Business Meals defined in Appendix 5.

4.2 Whenever possible, the Company should directly pay for trips, accommodations and meals incurred by an International HCP in connection with Authorized Activities.

4.2.1 Accommodations

- i. Each accommodation provided to an International HCP in connection with Authorized Activities must be of a moderate and reasonable amount. In addition, accommodations must have been chosen for professional considerations and in connection with the realization of Authorized Activities.
- ii. The spending limits for accommodations are defined in Appendix 6 of this Policy.
- iii. It is expressly forbidden to pay for the accommodation of the International HCP's spouse or any other person not directly related to the use of the Company's products.

4.2.2 Meals

- i. Each meal paid by the Company for an International HCP shall be of a reasonable and moderate amount. In addition, the location of the meal must be appropriate for a business discussion.
- ii. The spending limits for meals are defined in Appendix 6 of this Policy.
- iii. Employees and Intermediaries should not pay for the meals of the International HCP's spouse or any other person not directly related to the use of the Company's products.

4.2.3 Trips and transportation costs

- i. Each trip paid by the Company for an International HCP's realization of Authorized Activities must be of a moderate and reasonable amount.
- ii. The spending limits for transportation are defined in Appendix 6 of this Policy.

- iii. It is expressly forbidden to pay for the transportation of the International HCP's spouse or any other person not directly related to the use of the Company's products.

4.2.4 Consulting services

- i. Regarding consulting services as defined in Appendix 2, the amount of the fees for an International HCP must be: (a) authorized by the Company's Vice President of Global Marketing and Chief Compliance Officer prior to performance of such services, and (b) expressly stated in writing in a consulting agreement/statement of work between the Company and the International HCP. This agreement/statement of work must be signed by the International HCP and the Company prior to the initiation of consulting services.
- ii. The amount of the fees set forth in the consulting agreement must be fair market value and reasonable. Under no circumstances can this amount depend on the volume or value of any business generated by the International HCP, nor can such amount be provided in exchange for the International HCP's agreement to prescribe, recommend, buy or use the Company's products.
- iii. An International HCP will be paid only after the Authorized Activity is performed and completed. The International HCP must send an itemized invoice with supporting documentation and receipts to the person at the Company who requested such services ("Requestor"). Payment will be made only after review and approval by the Requestor, the Vice President of Global Marketing and the Chief Compliance Officer.
- iv. As previously stated in Section 4.2 of this Policy, to the extent possible, the Company will directly pay the costs for trips, accommodations and/or meals incurred by an International HCP in connection with Authorized Activities. If the International HCP pays for his/her own trips, accommodations and/or meals in connection with Authorized Activities, the Company will reimburse such costs, if they comply with this Policy and have been approved in advance, upon presentation of supporting documents and after review and approval by the Requestor, the Vice President of Global Marketing and the Chief Compliance Officer.

4.2.5 Selection and use of an International Healthcare Professional

- i. The selection of an International HCP for consulting activities must be based on objective criteria. The selection process is described in Appendix 2.
- ii. The use of an International HCP for Authorized Activities must be approved in advance by the Company's Vice President of Global Marketing (or his or her designee).

5. Territorial application



This Policy applies to all countries outside the United States where the Company operates.

6. Compliance with Applicable Laws

6.1 This Policy is not a substitute for Applicable Laws.

6.2 In case of conflict between any provision of this Policy and a country-specific law or regulation that imposes a higher or more stringent standard, the Company shall comply with the country-specific law or regulation.

6.3 If any provision of this Policy is more stringent than Applicable Laws, but does not violate them, then the applicable standard will be the provision contained in this Policy.

7. Reporting Procedures

7.1 Each Employee should contact his/her manager on all questions, issues and situations relating to this Policy.

7.2 If an Employee or Intermediary is faced with a potential issue not addressed in this Policy involving an International HCP, the Employee must inform the Chief Compliance Officer.

7.3 If an Employee or Intermediary becomes aware of a behavior/action involving an International HCP that is or may be contrary to this Policy and/or Applicable Laws, the Employee should immediately alert the Chief Compliance Officer.

7.4 If an International HCP asks an Employee or intermediary for any benefit prohibited by this Policy and/or Applicable Laws, the Employee or intermediary should immediately alert the Chief Compliance Officer.



APPENDIX 1 – PROHIBITED BENEFITS

Non-exhaustive lists of prohibited benefits:

- Direct or indirect non-compliant payment of money intended for an International HCP, his/her family or for a third party affiliated with such International HCP.
- Gifts for an International HCP, or for a third party affiliated with such International HCP, regardless of their value. For example:
 - Equipment
 - Jewelry
 - Wine, cigars, gift baskets, etc.
 - Tickets to shows, sporting events, etc.



APPENDIX 2 - CONSULTING AGREEMENTS

"Consulting agreement" means a contract governing consulting services that the International HCP can provide for the benefit of the Company. Examples include: (i) serving as a principal investigator; (ii) participating on advisory boards; (iii) speaking at events; (iv) preparing clinical reports; (v) product development activities; (vi) clinical education, and (vii) making presentations on behalf of the Company. For the purposes of this Appendix 2, the term "Consulting agreement" applies to: (1) a new consulting agreement and corresponding statement of work; (2) a statement of work being executed in connection with an existing consulting agreement; (3) an honorarium; and (4) any other agreement pursuant to which an International HCP could receive a payment from the company.

An International HCP who has entered into a consulting agreement with the Company may be paid by the Company, in accordance with such contract.

1. The Consulting agreement

The selection of an International HCP for consulting activities must be based on objective criteria. The Company's Vice President of Global Marketing must receive a complete application before he or she will review the request.

If the request is granted, a written consulting agreement must be drafted stating:

- the nature, extent and duration of services to be performed
- the amount of fees
- the basis for compensation (i.e., payment on an hourly basis established by the consulting agreement, only upon presentation of a detailed report outlining the nature of Authorized Activities carried out on behalf of the Company and the number of hours used to carry out those services)
- potential payments for accommodation, transportation, meals, etc.

The drafting of the consulting agreement is carried out by the Legal Department of the Company, specifically by the Company's attorney assigned to the region in which the International HCP is located.

All consulting agreements must also comply with the local laws of the jurisdiction where the International HCP practices medicine.



2. Consulting service requests

All employees that wish to request an agreement with an International HCP (a "Requestor") must use the International Consulting Agreement Request form (the "ICA Request Form"). Several items are required by this form, including:

- International HCP name, address and country where the surgeon practices
- services to be conducted
- date and location for performances of the services
- amount of time to be spent on the services
- payment rate for the services (either per day or per hour, in U.S. dollars)
- will any written deliverable be provided by the International HCP (e.g., a report, a Powerpoint, etc.)
- if travel is required, what type (e.g., air, train, car)
- if a hotel is required, for how many nights

The ICA Request Form must be approved by the department head prior to submission to the Company's Vice President of Global Marketing. He or she will review the request and may, at his or her discretion, request additional information before returning the completed form to the Requestor. The Requestor should then obtain the approval of the Chief Compliance Officer who will inform Legal to begin drafting the agreement, if it is approved.

When the expected utilization time cannot be estimated, the Requestor will not have to complete that portion of an ICA Request Form in advance.

This exception can be made only for the following services:

- correspondence involving a product development project, including any necessary document review
- expertise on a clinical case involving a customer complaint
- expertise in assessment of the severity, occurrence or detection of an unknown or suspected failure mode of a product
- expertise on a new technology

This exception shall not exempt the Requestor from compliance with all other provisions set by this Policy, including the requirement of a written and signed agreement and the International HCP providing a full and detailed report related to the actual utilization of the service(s), if required by the agreement.



3. Payments for services rendered

When the service is completed, the International HCP is required to submit his/her fees accompanied by:

- any written deliverables that were required to be prepared as part of the services
- an invoice on a form approved by the Company that sets forth the services performed and the number of hours worked

The invoice and deliverables shall be reviewed and approved by the Requestor, the Vice President of Global Marketing and the Chief Compliance Officer before any payment is made.



APPENDIX 3 - HOSPITALITY

Where permitted under Applicable Laws, the Company may provide Hospitality to an International HCP.

"Hospitality" means any covering or reimbursement of costs for registration fees and/or accommodation and/or transportation and/or meals of an International HCP during his/her participation in the events listed below. Participation in these events by the International HCP does not give him/her the right to any compensation.

HOSPITALITY CANNOT APPLY TO INTERNATIONAL HCPs THAT PRACTICE IN THE U.S. OR ANY OTHER COUNTRY WHERE HOSPITALITY IS NOT PERMITTED UNDER NATIONAL AND LOCAL LAWS.

Hospitality may occur during:

- Medical education related to medical products marketed by the Company
- Professional events, conferences, congresses, seminars and functions organized by Company and/or third parties to promote scientific knowledge and medical progress
- Postgraduate teaching evenings related to the Company's products

The covering or reimbursement of costs may include:

- Meals and buffets
- Transportation
- Accommodation
- Registration fees

Hospitality paid by the Company must be reasonable and limited to the main objective of the professional event. This event must have a scientific and/or medical goal. Hospitality only involves International HCPs and cannot be extended to spouses, friends or third parties.

Any hospitality request for an International HCP must be authorized by the Company's Vice President of Global Marketing and Chief Compliance Officer. The amount of the payment for Hospitality should match the conditions set forth in Section 4.3 of this Policy and of Appendix 6.

All Hospitality must comply with the local laws of the jurisdiction where the International HCP practices medicine.



APPENDIX 4 - DONATIONS

When the Company is authorized to do so, it can give a donation of cash or other remuneration to any not-for-profit entity legally authorized to receive donations (the "Association").

No donations will be made directly to an International HCP.

These donations are characterized by the absence of any reciprocation.

These donations must serve the collective interest of the Association.

Any offer of donation that comes from the Association must first be the subject of a written request by its Executive Director stating:

- the purpose of the donation request;
- that the funds requested will serve the purpose of the Association in a precise and detailed manner; and
- that the funds requested are not intended to cover benefits prohibited by Applicable Law because of their nature or amount.

The request must be accompanied by a copy of the Association's articles and the notification of registration of the Association released by the applicable local governmental authority. Once the request is properly completed, it is transmitted to the Chief Compliance Officer and the Company's Senior Vice President of Human Resources and Community Relations who shall review the appropriateness of the donation request and shall only approve donation requests that:

- involve assistance for genuine independent medical research to advance medical science or education, and if there are objectives and well-defined steps. This assistance shall in no way have been determined, nor can it be renegotiated depending on the volume or value of any commercial activities operated by the Company or in exchange for a commitment given by the International HCP aiming to prescribe, recommend, buy or use the products of the Company; or
- concern charities that are authorized to take care of the needy who are most in need, to educate patients or to educate the public.

A correctly completed donation request does not automatically lead to the granting of a donation. The amount of the donation remains discretionary and cannot exceed the total amount requested by the Association.

Any Association which receives a donation from the Company shall acknowledge receipt of the donation in writing.

Whenever possible, each donation will be duly notified to the Administration that is duly authorized to record the donation (e.g., prefecture, Director of the Regional Health Agency, etc.).



APPENDIX 5 – BUSINESS MEALS

Under certain conditions, the Company can invite International HCPs to a meal.

The business meal must meet all of the following criteria:

- The cost must be reasonable. The total bill for the meal of the International HCP should not exceed the amount specified in Appendix 6.
- The location of the meal must be an appropriate location for a business discussion.
- The Company will pay only for the International HCP's meal, not for any spouse or other person not directly related to the use of the Company's products.
- Such business meals with the International HCP should not be regular nor frequent.



APPENDIX 6 – SPENDING LIMITS

In accordance with Article 6 of the Policy, the amounts set forth below do not supersede lower amounts that may have been established by local laws, regulations, ethical codes and other standards in force in countries where an Employee or Intermediary works.

1. Meals

The Company has established the following maximum amounts for the total bill for a meal with an International HCP:

- Lunch: 65€* (all taxes included) per International HCP
- Dinner: 110€* (all taxes included) per International HCP

2. Accommodations

The Company has established the following maximum amount for hotel accommodations involving an International HCP:

- 250€* (all taxes included) per night and per International HCP (single bed and breakfast included) in a building no more than four stars. The use of five-star establishments is strictly prohibited.
- The length of the reimbursable portion of the stay can be no longer than a length reasonably required for the Authorized Activities.

3. Transportation

The Company has established the following guidelines for transportation involving an International HCP:

- Train: 1st class authorized
- Plane:
 - If the flight is required to perform services pursuant to a Consulting agreement:
 - Flight less than four hours: Economy Class only
 - Flight greater than or equal to four hours: Business Class is allowed. The use of higher class levels (Executive, First, etc.) is strictly prohibited.
 - If the flight is not required to perform services pursuant to a Consulting agreement (i.e., the flight is solely related to Hospitality):
 - Economy class only, regardless of the length of the flight

- Personal vehicle, taxi and car rental:
 - The reimbursement of trip expenses related to an International HCP's use of his/her personal vehicle between his/her residence and the location of the event where the International HCP performs the services is authorized in accordance with the terms of the Policy unless the event is near the residence.
 - Reimbursement of trip expenses related to an International HCP use of his/her personal vehicle between his/her residence and the train station/airport is only authorized when the International HCP has to use a train or a plane in order to perform services.
 - The use of taxi is limited to a trip within the town itself or when other modes of transportation are not feasible (e.g., strike, demonstration, inclement weather conditions, etc.)
 - Type of rental vehicle: Categories B and C (e.g., Volkswagen Golf, Peugeot 307/308 etc.)

* All amounts expressed in local currency shall be converted to Euros at the prevailing exchange rate at the time the expense is incurred.