

APPROVAL OF FERO VS. KUYPER ET AL. DERIVATIVE ACTION SETTLEMENT AGREEMENT AND GOVERNANCE REFORMS

WHEREAS, plaintiffs Patrick Fero and Ralph Tuckfied commenced actions in the California Superior Court for the County of San Diego (the “CA Court”) on August 25, 2010 and November 30, 2010 naming 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, Siri S. Marshall, HealthpointCapital LLC and Alphatec Holdings, Inc. as defendants (as consolidated by the CA Court, the “Scient’x Action”);

WHEREAS, plaintiffs Patrick Fero and Ralph Tuckfied asserted claims in the Scient’x Action derivatively on behalf of the Company;

WHEREAS, the parties have agreed to resolve all the derivative claims asserted in the Scient’x Action, or that could have been asserted in the Scient’x Action, on the terms set forth in that certain Stipulation of Settlement, dated March 25, 2014, which was an appendix to the materials presented to the Board on February 26, 2014 (the “Scient’x Derivative Settlement Agreement”);

WHEREAS, pursuant to the Scient’x Derivative Settlement Agreement, the Company has agreed to adopt and implement the corporate governance reforms attached hereto as Exhibit A (the “Scient’x Corporate Governance Reforms”);

WHEREAS, pursuant to the Scient’x Derivative Settlement Agreement, the Company has agreed to pay \$5,250,000 for plaintiffs’ counsel’s fees and expenses in connection with the derivative claims asserted in the Scient’x Action, which amount is expected to be covered by insurance carriers of the Company and HealthpointCapital;

WHEREAS, the Scient’x Derivative Settlement Agreement has been presented to the Board for approval of its terms, including the Scient’x Corporate Governance Reforms and the payment of plaintiffs’ counsel’s fees and expenses;

WHEREAS, the Scient’x Derivative Settlement Agreement has been presented to the Court for approval (the “Court Approval”); and

WHEREAS, the Board has determined through consultation with the Company’s management and the Company’s financial, accounting and legal advisors that the terms and conditions of the actions contemplated by the Scient’x Derivative Action Settlement Agreement, including but not limited to the adoption and implementation of the Scient’x Corporate Governance Reforms and the payment of the plaintiff’s counsel’s fees and expenses, are fair and reasonable to, and in the best interests of, the Company and its stockholders.

NOW, THEREFORE, BE IT RESOLVED, that the Scient’x Derivative Action Settlement Agreement and the actions contemplated therein be, and they hereby are, authorized, ratified and approved;

RESOLVED FURTHER, that, subject to the Court Approval, the Scient’x Corporate Governance Reforms in substantially the form attached hereto as Exhibit A and the actions contemplated therein be, and they hereby are, authorized, ratified and approved;

RESOLVED FURTHER, that the payment of plaintiff’s counsel’s fees and expenses in the amount of \$5,250,000, which amount is expected to be covered by insurance carriers of the Company and HealthpointCapital, be, and hereby is, authorized, ratified and approved; and

RESOLVED FURTHER, that the officers of the Company be, and each of them hereby is, authorized and directed, for and on behalf of the Company (i) to execute and deliver the Scient’x Derivative Action Settlement Agreement and any related agreements, certificates or other documents referred to therein, with such additions, modifications or deletions as are deemed necessary or appropriate, and the approval of such agreements, certificates or other documents and any such additions, modifications or deletions shall be conclusively evidenced by the execution and delivery thereof, and (ii) to take all actions deemed necessary or appropriate to perform the Company’s obligations thereunder, including, subject to the CA Court Approval, the implementation of the Scient’x Corporate Governance Reforms.

WHEREAS, pursuant to Section 144 of the Delaware General Corporation Law, no contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest (such parties are referred to herein collectively as an “Interested Parties”), is void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board of directors or committee which authorizes the contract or transaction, or solely because any such director’s or officer’s votes are counted for such purpose, if: (i) the material facts as to the director’s or officer’s relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes the contract or transaction by the affirmative votes of the majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to the director’s or officer’s relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee or the stockholders;

WHEREAS, the Board is aware that (i) each of Mortimer Berkowitz, III, John H. Foster, R. Ian Molson, Stephen E. O’Neil, James R. Glynn, Rohit M. Desai and Siri S. Marshall is a director of the Company and named defendants in the Scient’x Action; and (ii) Messrs. Berkowitz, Foster, Molson and O’Neill are also officers or directors of HealthpointCapital, LLC, and therefore such directors are Interested Parties with respect to the Scient’x Derivative Settlement Agreement; and

WHEREAS, the Board is aware of all of the material facts related to the Scient’x Derivative Settlement Agreement and has had an adequate opportunity to ask questions

regarding, and investigate the nature of, the relationships and/or interests of the interested parties in connection with the Scient'x Derivative Settlement Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the remaining disinterested members of the Board, Leslie Cross and Luke Faulstick, have satisfied themselves through consultation with the Company's management and the Company's financial, accounting and legal advisors that the terms and conditions of the Scient'x Derivative Settlement Agreement are fair and reasonable to the Company and its stockholders and have accordingly approved the foregoing resolutions independent of any influence from the interested parties.

RESOLVED, that the officers of the Company be, and each of them hereby is, authorized and directed, on behalf and in the name of the Company, to prepare or cause to be prepared and to execute, deliver, verify, acknowledge, file or record any documents, instruments, certificates, statements, papers, or any amendments thereto, as may be deemed necessary or advisable in order to effectuate the actions contemplated by the agreements approved herein, and to take such further steps and do all such further acts or things as shall be necessary or desirable to carry out the actions contemplated by the foregoing resolutions.

RESOLVED FURTHER, that the authority and power given hereunder be deemed retroactive and any and all acts authorized hereunder performed prior to the passage of these resolutions, are hereby ratified and approved.

APPROVAL OF PHILLIPS VS. CROSS ET AL. PROXY DERIVATIVE ACTION SETTLEMENT AGREEMENT AND GOVERNANCE REFORMS

WHEREAS, plaintiff Scott Phillips commenced an action in the United State District Court for the District of Delaware (the “DE Court”) on May 28, 2013 naming current and former directors and officers of Alphatec Holdings, Inc., including Leslie H. Cross, Dirk Kuyper, Mortimer Berkowitz, III, John H. Foster, R. Ian Molson, Stephen E. O’Neil, Stephen H. Hochschuler, James R. Glynn, Rohit M. Desai, Siri S. Marshall, Luke Faulstick, Michael O’Neill, William Patrick Ryan and Thomas McLeer, and the Company as defendants (the “Proxy Action”);

WHEREAS, plaintiff Scott Phillips asserted claims in the Proxy Action derivatively on behalf of the Company;

WHEREAS, the parties have agreed to resolve all the derivative claims asserted in the Action, or that could have been asserted in the Proxy Action, on the terms set forth in that certain Stipulation of Settlement, dated September 20, 2013, which was an appendix to the materials presented to the Board on February 26, 2014 (the “Proxy Derivative Settlement Agreement”);

WHEREAS, pursuant to the Proxy Derivative Settlement Agreement, the Company has agreed to adopt and implement the corporate governance reforms attached hereto as Exhibit B with respect to cash and stock awards by the Company (the “Proxy Corporate Governance Reforms”);

WHEREAS, the Proxy Derivative Settlement Agreement has been presented to the Board for approval of its terms, including the Proxy Corporate Governance Reforms;

WHEREAS, the Proxy Derivative Settlement Agreement has been presented to the DE Court for approval and has been so approved by the DE Court, including the award of \$200,000 in plaintiffs’ counsel’s fees and expenses in connection with the derivative claims asserted in the Proxy Action, which amount is not anticipated to be fully covered by insurance; and

WHEREAS, the Board has determined through consultation with the Company’s management and the Company’s financial, accounting and legal advisors that the terms and conditions of the actions contemplated by the Proxy Derivative Action Settlement Agreement, including but not limited to the adoption and implementation of the Proxy Corporate Governance Reforms and the payment of the plaintiff’s counsel’s fees and expenses, are fair and reasonable to, and in the best interests of, the Company and its stockholders.

NOW, THEREFORE, BE IT RESOLVED, that the Proxy Derivative Action Settlement Agreement and the actions contemplated therein be, and they hereby are, authorized, ratified and approved;

RESOLVED FURTHER, that, the Proxy Corporate Governance Reforms in substantially the form attached hereto as Exhibit B and the actions contemplated therein be, and they hereby are, authorized, ratified and approved;

RESOLVED FURTHER, that the payment of plaintiff's counsel's fees and expenses in the amount of \$200,000, which amount is not anticipated to be fully covered by insurance, be, and hereby is, authorized, ratified and approved; and

RESOLVED FURTHER, that the officers of the Company be, and each of them hereby is, authorized and directed, for and on behalf of the Company (i) to execute and deliver the Proxy Derivative Action Settlement Agreement and any related agreements, certificates or other documents referred to therein, with such additions, modifications or deletions as are deemed necessary or appropriate, and the approval of such agreements, certificates or other documents and any such additions, modifications or deletions shall be conclusively evidenced by the execution and delivery thereof, and (ii) to take all actions deemed necessary or appropriate to perform the Company's obligations thereunder, including the implementation of the Proxy Corporate Governance Reforms.

RESOLVED, that the officers of the Company be, and each of them hereby is, authorized and directed, on behalf and in the name of the Company, to prepare or cause to be prepared and to execute, deliver, verify, acknowledge, file or record any documents, instruments, certificates, statements, papers, or any amendments thereto, as may be deemed necessary or advisable in order to effectuate the actions contemplated by the agreements approved herein, and to take such further steps and do all such further acts or things as shall be necessary or desirable to carry out the actions contemplated by the foregoing resolutions.

RESOLVED FURTHER, that the authority and power given hereunder be deemed retroactive and any and all acts authorized hereunder performed prior to the passage of these resolutions, are hereby ratified and approved.

EXHIBIT A

CORPORATE GOVERNANCE REFORMS

SEPARATE CHAIRMAN AND CEO

- 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

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

- A majority of the directors on the Board shall be independent as defined by NASDAQ Rule 5605(a)(2).
- The Audit, Compensation, and Nominating Committees of the Board shall be comprised entirely of independent directors as defined by NASDAQ Rule 5605(a)(2).
- The independent directors shall certify their independence in writing annually and will notify the Chairman of any change in status.
- The independent directors shall meet separately at least twice a year in conjunction with regularly scheduled meetings of the Board.
- The Board and all Board committees shall conduct an annual self-evaluation.
- The performance of the Chairman shall be evaluated annually by the Board.

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

AUDIT COMMITTEE

- The Chairman of the Audit Committee shall meet quarterly with the Company's Director of Internal Audit.
- The Audit Committee shall review and discuss earnings press releases, and the Chairman of the Audit Committee shall be required to give final approval of any earnings press releases before they are made public.
- The Audit Committee shall review financial information and earnings guidance provided to analysts and credit rating agencies and make a recommendation to management and to the Board.
- The Audit Committee shall be directly responsible for the oversight of the registered public accounting firm engaged to prepare or issue an audit report or perform other audit services.
- The Audit Committee Report shall state that the Audit Committee has:
 - reviewed and discussed the audit financial statements with management;
 - discussed the matters that are required to be communicated by Statement on Auditing Standards No. 61, "Communications with Audit Committees" with the external auditor;
 - received the written disclosures and the letter from the external auditor on independence matters as required by ISB Standard No. 1, "Independence Discussions and Audit Committees";
 - discussed independence issues with the external auditor; and
 - recommended to the Board that the audited financial statements be filed with the SEC.