

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 B

CORPORATE GOVERNANCE REFORMS

- With respect to the grant of any equity award, the Board and its committees, including the Compensation Committee, shall at all times comply with the law, the committees' charters and other governing documents, and any applicable Company equity plan, including the Amended and Restated 2005 Employee, Director, and Consultant Stock Plan or any successor to the such plan ("Plan").
- To ensure such compliance, the Company will engage a third party to review the process by which equity award grants are made and delivered. This engagement shall include (1) a review of the Company's committee charters and other governing documents, and any applicable compensation plans, including the Plan, and (2) the development of a checklist of key provisions to be reviewed prior to the issuance and delivery of any incentive awards. That checklist must provide that the Company's General Counsel or his/her designee, which may include outside counsel, will analyze and confirm that, with respect to any contemplated incentive award: (i) the overall shares available under the applicable plan are sufficient to cover the proposed grant; and (ii) the individual limits set forth in the applicable plan would not be exceeded by awarding the proposed grant, such evaluation to include an analysis of the proposed grant and all other grants occurring during the relevant period.
- The Compensation Committee will retain adequate documentation of all awards made under the Plan and will appoint an appropriate individual(s) to monitor compliance with the foregoing compliance procedures and checklist, based on the types of grants and types of recipients (e.g., director, officer, employee or consultant).
- In negotiating an employment agreement with an executive officer or prospective executive officer, the Board or its designee will review the proposed terms of the agreement to ensure that such terms are not inconsistent with the terms of the Plan or any other applicable compensation plan, provided, the Board, in its sole discretion, may make non- Plan based grants to the extent permitted by applicable law (such as inducement grants).