

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

SCOTT PHILLIPS, derivatively on behalf of)
ALPHATEC HOLDINGS, INC. and)
individually on behalf of himself and all other)
similarly situated shareholders of ALPHATEC)
HOLDINGS, INC.,)

Plaintiff,)

v.)

LESLIE H. CROSS, MORTIMER)
BERKOWITZ III, JOHN H. FOSTER, R. IAN)
MOLSON, STEPHEN E. O'NEIL, JAMES R.)
GLYNN, ROHIT M. DESAI, SIRI S.)
MARSHALL, LUKE T. FAULSTICK,)
STEPHEN H. HOCHSCHULER, DIRK)
KUYPER, MICHAEL O'NEILL, WILLIAM)
PATRICK RYAN AND THOMAS MCLEER,)

Defendants,)

and)

ALPHATEC HOLDINGS, INC., a Delaware)
Corporation,)

Nominal Defendant.)

Civil Action No. 1:13-cv-00948-RGA

SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT

TO: ALL OWNERS OF ALPHATEC HOLDINGS, INC. ("ALPHATEC") COMMON STOCK AS OF APRIL 23, 2013 THROUGH JUNE 21, 2013, THE DATE OF THE CONSUMMATION OF THE 2013 ANNUAL MEETING ("CLASS MEMBER")

YOU ARE HEREBY NOTIFIED that the parties to the above-captioned action (“Action”) have entered into a Stipulation of Settlement (“Stipulation”) to fully, finally, and forever resolve the issues raised in the Action (“Settlement”).

PLEASE BE FURTHER ADVISED that pursuant to an Order of the United States District Court for the District of Delaware (“Court”), a hearing will be held on March 17, 2014 at 3:00 p.m., before the Honorable Richard G. Andrews for the purpose of determining: (a) whether the settlement of the Action by way of the Correction of Prior Equity Awards (“Corrective Actions”) adopted and implemented by the Board after the commencement of the Action, such as: (1) postponing the annual stockholder meeting until June 21, 2013, (2) adopting an amendment to the Amended and Restated 2005 Employee, Director and Consultant Stock Plan to increase the per participant award limit from 200,000 shares per year to 1,500,000 shares per year (“Amended Plan”), (3) cancelling the excess grants awarded to the Officer Defendants, as alleged in Plaintiff’s Stockholder Derivative Complaint, and (4) filing a supplemental proxy disclosure and Form 8-K on June 11, 2013 (as fully detailed in Section 2 of the Stipulation on file with the Court), and by way of the Corporate Governance Reforms (“Reforms”) adopted by the Board after the commencement of the Action, such as, for a period of at least five years: (1) complying with any applicable Alphatec equity plan, (2) engaging a third party to review the process by which equity award grants are made, (3) retaining adequate documentation of all equity award grants and appointing appropriate individual(s) to monitor compliance, and (4) reviewing employment agreements with executive officers to ensure that the terms are not inconsistent with the terms of any applicable Alphatec equity plan (as fully detailed in Section 2 of the Stipulation on file with the Court), should be finally approved by the Court as fair, reasonable, and adequate to Alphatec and Class Members; (b) whether the Action should be

dismissed with prejudice; and (c) whether Plaintiffs' counsel's requested attorneys' fees and reimbursement of expenses should be approved (the "Settlement Hearing").

If you are a Class Member, your rights to pursue certain derivative claims on behalf of Alphatec and/or direct claims may be affected by the Settlement.

A detailed Notice of Pendency and Proposed Settlement of the Action ("Notice") describing in greater detail the Action, the proposed Settlement, and the rights of Class Members with regard to the Settlement is available on the website of Alphatec Holdings, Inc. ("Alphatec" or the "Company") at <http://investors.alphatecspine.com>. If you are a Class Member and wish to receive a copy of the detailed Notice, you may obtain a copy by referring to the Company's website. You may also find additional information concerning the Settlement, including a copy of the Stipulation, on the Company's website.

A Class Member wishing to assert an objection to the Settlement should, no later than ***at least fourteen (14) calendar days prior to the Settlement Hearing*** (no later than March 3, 2014):

1. file with the Clerk of the Court a written objection to the Settlement setting forth:
(a) the nature of the objection; (b) proof of ownership of Alphatec common stock from April 23, 2013 through June 21, 2013, including the number of shares of Alphatec common stock and the date of purchase; and (c) any documentation in support of such objection; and
2. if a Class Member intends to appear and requests to be heard at the Settlement Hearing, such Class Member must, in addition to the requirements of paragraph (1) above, file with the Clerk of the Court: (a) a written notice of such Class Member's intention to appear; (b) a statement that indicates the basis for such appearance; and (c) the identities of any witnesses the Class Member intends to call at the Settlement Hearing and the subjects of their testimony; and

3. if a Class Member files a written objection and/or written notice of intent to appear, such Class Member must also simultaneously serve copies of such notice, proof, statement, and documentation, together with copies of any other papers or briefs such Class Member files with the Court (either by hand delivery or by first class mail) upon each of the following:

LEVI & KORSINSKY, LLP

Shane T. Rowley
30 Broad Street, 24th Floor
New York, New York 10004
(212) 363-7500

FARNAN LLP

Brian E. Farnan
Michael J. Farnan
Rosemary J. Piergiovanni
919 N. Market Street, 12th Floor
Wilmington, DE 19801
(302) 777-0300

Attorneys for Plaintiff

LATHAM & WATKINS LLP

Colleen C. Smith
600 West Broadway, Suite 1800
San Diego, CA 92101
(619) 236-1234

Michele D. Johnson
650 Town Center Drive, 20th Floor
Costa Mesa, CA 92626
(714) 540-1235

Attorneys for Defendants

The written objections and copies of any papers and briefs in support thereof to be filed in Court shall be delivered by hand or sent by first class mail to:

Clerk of the Court
U.S. District Court, District of Delaware
844 N. King Street
Wilmington, D.E. 19801

Any Class Member who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the Stipulation and to the Fee and Expense Award (as defined in Section 4.1 of

the Stipulation) to Plaintiff's Counsel but shall otherwise be bound by the judgment to be entered and the releases to be given.

PLEASE DO NOT TELEPHONE THE COURT OR ALPHATEC REGARDING THIS NOTICE.