

XTANT MEDICAL

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD OCTOBER 26, 2022

To Our Stockholders:

You are invited to attend the Annual Meeting of Stockholders (“Annual Meeting”) of Xtant Medical Holdings, Inc. (the “Company”) on October 26, 2022 at 8:00 a.m., Eastern Time, at the offices of Fox Rothschild LLP, located at 101 Park Avenue, 17th Floor, New York, New York 10178, for the following purposes:

1. To elect the six nominees named in the accompanying proxy statement to serve as directors of the Company until the next annual meeting of stockholders and until their respective successors have been duly elected and qualified;
2. To ratify the appointment of Plante & Moran, PLLC (“Plante Moran”) as the Company’s independent registered public accounting firm for the year ending December 31, 2022;
3. To approve, on an advisory basis, the compensation of the Company’s executive officers named in the accompanying proxy statement;
4. To approve the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan; and
5. To transact such other business as may properly be brought before the Annual Meeting and any adjournment or postponement thereof.

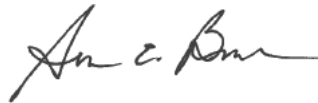
Stockholders of record at the close of business on September 15, 2022 shall be entitled to notice of and to vote at the Annual Meeting and any adjournments or postponements thereof. A stockholder list will be available at our corporate offices beginning October 14, 2022 during normal business hours for examination by any stockholder registered on our stock ledger as of the record date for any purpose germane to the Annual Meeting.

Your vote is important. Please submit a proxy as soon as possible so that your shares can be voted at the Annual Meeting.

By Order of the Board of Directors



Stavros Vizirgianakis
Chairman of the Board



Sean E. Browne
President and Chief Executive Officer

Belgrade, Montana
September 20, 2022

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XTANT MEDICAL HOLDINGS, INC.
664 Cruiser Lane
Belgrade, Montana 59714
(406) 388-0480

**PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON OCTOBER 26, 2022**

**QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS
AND THE ANNUAL MEETING**

Q: Why am I receiving these materials?

A: We are providing these proxy materials to you in connection with the solicitation of proxies by the Board of Directors (the “Board”) for our Annual Meeting, which will take place on October 26, 2022. As a stockholder of record, you are invited to attend the Annual Meeting and are entitled and requested to vote on the items of business described in this proxy statement. This proxy statement and accompanying proxy card (or voting instruction card) are being sent on or about September 20, 2022 to all stockholders entitled to vote at the Annual Meeting.

Q: When and where will the Annual Meeting be held?

A: The Annual Meeting will be held on October 26, 2022 at 8:00 a.m., Eastern Time, at the offices of Fox Rothschild LLP, located at 101 Park Avenue, 17th Floor, New York, New York 10178.

Q: How do I attend the Annual Meeting?

A: Only stockholders of record on the record date of September 15, 2022 (the “Record Date”) are entitled to notice of, and to attend or vote at, the Annual Meeting. If you plan to attend the meeting in person, please bring the following:

- Photo identification; and
- Acceptable proof of ownership if your shares are held in “street name.”

Street name means your shares are held of record by brokers, banks, or other institutions. See below for additional information.

Acceptable proof of ownership is either (a) a letter from your broker confirming that you beneficially owned shares of our common stock on the Record Date or (b) an account statement showing that you beneficially owned shares of our common stock on the Record Date. If your shares are held in street name, you may attend the meeting with proof of ownership, but you may not vote your shares in person at the Annual Meeting unless you have obtained a “legal proxy” or other evidence from your broker giving you the right to vote your shares at the Annual Meeting.

Q: What information is contained in this proxy statement?

A: This proxy statement contains information regarding our corporate governance practices, the Board, our named executive officers, the compensation of our directors and named executive officers, the director nominees for election and other proposals to be voted on at the Annual Meeting, and certain other required information.

Q: How may I obtain the Company's Annual Report on Form 10-K for the year ended December 31, 2021?

A: We have enclosed with this proxy statement a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. Our Annual Report on Form 10-K can also be accessed through our website at www.xtantmedical.com (click "Investors" and "SEC Filings"). We filed our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 with the SEC on March 8, 2022. We sometimes refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 as our 2021 Annual Report.

Q: What items of business will be voted on at the Annual Meeting?

A: The items of business scheduled to be voted on at the Annual Meeting are:

1. To elect the six nominees named in this proxy statement to serve as directors of the Company until the next annual meeting of stockholders and until their respective successors have been duly elected and qualified;
2. To ratify the appointment of Plante Moran as the Company's independent registered public accounting firm for the year ending December 31, 2022;
3. To approve, on an advisory basis, the compensation of the Company's executive officers named in this proxy statement;
4. To approve the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan; and
5. To transact such other business as may properly be brought before the Annual Meeting and any adjournment or postponement thereof.

Q: How many votes must the nominees for director have to be elected?

A: In order for a director to be elected at a meeting at which a quorum is present, the director must receive the affirmative vote of a plurality of the shares voted. There is no cumulative voting for our directors or otherwise.

Q: What are the voting requirements to approve the other proposals?

A: As noted above, with respect to Proposal One, the six director nominees receiving the highest number of affirmative votes will be elected. The affirmative vote of the holders of a majority in voting power of the shares of common stock present in person or by proxy and entitled to vote on the proposal is required to approve Proposal Two, Proposal Three and Proposal Four.

Q: How does the Board recommend that I vote?

A: The Board recommends that you vote your shares "FOR" all six of the director nominees, "FOR" the ratification of the appointment of Plante Moran as our independent registered public accounting firm, "FOR" the approval, on an advisory basis, of the compensation of the executive officers named in this proxy statement and "FOR" the approval of the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan.

If you return a properly completed proxy card, or vote your shares by telephone or Internet, your shares of common stock will be voted on your behalf as you direct. If not otherwise specified, the shares of common stock represented by the proxies will be voted in accordance with the Board's recommendations.

Q: What shares may I vote?

A: Each share of our common stock issued and outstanding as of the close of business on the Record Date is entitled to one vote on each of the matters to be voted upon at the Annual Meeting.

You may vote all shares owned by you as of the Record Date, including (a) shares held directly in your name as the stockholder of record and (b) shares held for you as the beneficial owner through a broker, trustee, or other nominee. We had 101,981,250 shares of common stock issued and outstanding on the Record Date.

Q: What is the difference between being a stockholder of record and being the beneficial owner of shares held in street name?

A: A stockholder of record owns shares that are registered in his or her own name. A beneficial owner owns shares that are held in street name through a third party, such as a broker. As summarized below, there are some distinctions between a stockholder of record and beneficial owner.

Stockholder of Record

You are the stockholder of record of any of your shares registered directly in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc. With respect to such shares, these proxy materials are being sent to you by the Company. As the stockholder of record, you have the right to grant your voting proxy directly to our designees, Sean E. Browne, the Company's President and Chief Executive Officer, Scott Neils, the Company's Chief Financial Officer, and Stavros Vizirgianakis, the Company's Chairman of the Board, or to any other person you wish to designate, or to vote in person at the Annual Meeting. We have enclosed a proxy card for you to grant your voting proxy to Mr. Browne, Mr. Neils and Mr. Vizirgianakis.

Shares Beneficially Held in Street Name

You are the beneficial owner of any of your shares held in street name. With respect to such shares registered through a broker, these proxy materials, together with a voting instruction card, are being forwarded to you by your broker. As the beneficial owner, you have the right to direct your broker how to vote. You may use the voting instruction card provided by your broker for this purpose. Even if you have directed your broker how to vote, you may also attend the Annual Meeting. However, you may not vote your shares in person at the Annual Meeting unless you obtain a "legal proxy" or other evidence from your broker giving you the right to vote the shares at the Annual Meeting.

Q: Who is entitled to attend the Annual Meeting and what are the admission procedures?

A: You are entitled to attend the Annual Meeting only if you were a stockholder as of the close of business on the Record Date or if you hold a valid proxy for the Annual Meeting. A list of stockholders eligible to vote at the Annual Meeting will be available for inspection at the Annual Meeting. If you are a beneficial holder, you will need to provide proof of beneficial ownership as of the Record Date, such as a brokerage account statement showing that you owned shares of the Company's common stock as of the Record Date or the voting instruction card provided by your broker. The Annual Meeting will begin promptly at 8:00 a.m., Eastern Time. You should be prepared to present photo identification for admittance. Check-in will begin one-half hour prior to the meeting. Please allow ample time for the admission procedures.

Q: May I vote my shares in person at the Annual Meeting?

A: If you were a stockholder of record on the Record Date, you may vote your shares in person at the Annual Meeting or through a proxy. If you decide to vote your shares in person, you do not need to present your share certificate(s) at the Annual Meeting; your name will be on the list of stockholders eligible to vote. If you hold your shares beneficially in street name, you may vote your shares in person at the Annual Meeting only if you obtain a legal proxy or other evidence from your broker giving you the right to vote the shares. *Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the Annual Meeting.*

Q: How can I vote my shares without attending the Annual Meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the Annual Meeting. If you are a stockholder of record, you may vote by submitting a proxy. If you hold shares beneficially in street name, you may vote by submitting voting instructions to

your broker. For directions on how to vote, please refer to the instructions on your proxy card or, for shares held beneficially in street name, the voting instruction card provided by your broker.

Stockholders of record may submit proxies by completing, signing, dating, and mailing their proxy cards to the address provided on the proxy card. Stockholders who hold shares beneficially in street name may vote by completing, signing, and dating the voting instruction cards provided and mailing them to the address provided on the voting instruction card. The proxy card and voting instruction card also include directions as to how you may submit your vote through the Internet. The voting instruction card may also include directions for alternative methods of submitting your vote. We encourage you to vote early. If you choose to vote by mail, please allow sufficient time for your proxy or voting instruction card to reach our vote tabulator prior to the Annual Meeting.

Q: Who will count the votes?

A: Votes at the Annual Meeting will be counted by an inspector of election, who will be appointed by the Board.

Q: What is the effect of not voting?

A: If you are a stockholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting. If you are a stockholder of record and you properly sign and return your proxy card, your shares will be voted as you direct. If no instructions are indicated on such proxy card and you are a stockholder of record, shares represented by the proxy will be voted in the manner recommended by the Board on all matters presented in this proxy statement, namely “FOR” all six of the director nominees, “FOR” the ratification of the appointment of Plante Moran as our independent registered public accounting firm, “FOR” the approval, on an advisory basis, of the compensation of the executive officers named in this proxy statement and “FOR” the approval of the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan.

Generally, broker non-votes occur when shares held by a broker in “street name” for a beneficial owner are not voted with respect to a particular proposal because the broker (1) has not received voting instructions from the beneficial owner and (2) lacks discretionary voting power to vote those shares.

A broker is entitled to vote shares held for a beneficial owner on routine matters. The ratification of the appointment of Plante Moran as our independent registered public accounting firm in Proposal Two is a routine matter; and, accordingly, a broker is entitled to vote shares held for a beneficial owner on this proposal without instructions from such beneficial owner. On the other hand, absent instructions from a beneficial owner, a broker is not entitled to vote shares held for such beneficial owner on non-routine matters. We believe, based on the rules of the New York Stock Exchange (“NYSE”), that the election of directors in Proposal One, the advisory vote on executive compensation in Proposal Three and the approval of the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan in Proposal Four are non-routine matters; and, accordingly, brokers do not have authority to vote on such matters absent instructions from beneficial owners. Whether a voting proposal is ultimately determined routine or non-routine is determined by the NYSE. Accordingly, if beneficial owners desire not to have their shares voted by a broker in a certain manner, they should give instructions to their brokers as to how to vote their shares.

Broker non-votes count for purposes of determining whether a quorum is present.

Q: How many votes are required for the approval of the proposals to be voted upon, and how will abstentions and broker non-votes be treated?

Proposal	Votes Required	Effect of Votes Withheld / Abstentions	Effect of Broker Non-Votes
<u>Proposal One</u> : Election of Directors	Plurality of the votes cast. This means that the six nominees receiving the highest number of affirmative “FOR” votes will be elected as directors.	Votes withheld will have no effect.	Broker non-votes will have no effect.

Proposal	Votes Required	Effect of Votes Withheld / Abstentions	Effect of Broker Non-Votes
<u>Proposal Two</u> : Ratification of Appointment of Independent Registered Public Accounting Firm	Affirmative vote of the holders of a majority in voting power of the shares of common stock present in person or by proxy and entitled to vote thereon.	Abstentions will have the effect of a vote against the proposal.	We do not expect any broker non-votes on this proposal.
<u>Proposal Three</u> : Advisory Vote on Executive Compensation	Affirmative vote of the holders of a majority in voting power of the shares of common stock present in person or by proxy and entitled to vote thereon.	Abstentions will have the effect of a vote against the proposal.	Broker non-votes will have no effect.
<u>Proposal Four</u> : Approval of the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan	Affirmative vote of the holders of a majority in voting power of the shares of common stock present in person or by proxy and entitled to vote thereon.	Abstentions will have the effect of a vote against the proposal.	Broker non-votes will have no effect.

Q: Can I revoke my proxy or change my vote after I have voted?

A: You may revoke your proxy and change your vote by voting again or by attending the Annual Meeting and voting in person. Only your latest dated proxy card received at or prior to the Annual Meeting will be counted. However, your attendance at the Annual Meeting will not have the effect of revoking your proxy unless you forward written notice to the Corporate Secretary at Xtant Medical Holdings, Inc., 664 Cruiser Lane, Belgrade, Montana 59714, or you vote by ballot at the Annual Meeting. If you are a beneficial owner, you will need to request a legal proxy from your broker and bring it with you to vote at the Annual Meeting.

Q: How many votes are required to hold the Annual Meeting?

A: The presence, in person or by proxy, of the holders of one-third of the shares of our common stock outstanding and entitled to vote on the Record Date is necessary to hold the Annual Meeting and conduct business. This is called a quorum. Abstentions and broker non-votes will be considered as present at the Annual Meeting for purposes of establishing a quorum.

Q: Who will bear the cost of soliciting votes for the Annual Meeting?

A: The Company is making this solicitation and will pay the entire cost of preparing, printing, assembling, mailing, and distributing these proxy materials. In addition to the use of the mails, proxies may be solicited by personal interview, telephone, electronic mail, and facsimile by directors, officers, and regular employees of the Company. None of the Company's directors, officers, or employees will receive any additional compensation for soliciting proxies on behalf of the Board. The Company may also make arrangements with brokerage firms and other custodians, nominees, and fiduciaries for the forwarding of soliciting material to the beneficial owners of common stock held of record by those owners. The Company will reimburse those brokers, custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses incurred in connection with that service.

Q: Where can I find the voting results of the Annual Meeting?

A: We intend to announce preliminary voting results at the Annual Meeting and will disclose final voting results in a Current Report on Form 8-K that will be filed with the SEC not more than four business days following the Annual Meeting.

PROPOSAL ONE—ELECTION OF DIRECTORS

Board Size and Structure

Our Second Amended and Restated Bylaws provide that the Board will consist of at least one member or such other number as may be determined by the Board from time to time or by the stockholders at an annual meeting. Although we currently have seven directors serving on the Board, Jeffrey Peters is not standing for re-election at the Annual Meeting; and therefore, the Board has fixed the number of directors at six, effective as of the date of the Annual Meeting. Each director holds office for a term of one year or until his successor is duly elected and qualified, subject to his earlier death, resignation, disqualification, or removal.

Current Directors and Nominees for Director

The Board has nominated the following six individuals to serve as our directors until the next annual meeting of stockholders or until their respective successors are elected and qualified. All of the nominees named below are current members of the Board.

The names, ages, and positions of our nominees for director as of September 15, 2022 are as follows:

Name	Age	Position
John Bakewell ⁽¹⁾	61	Director
Sean E. Browne	56	Director
Michael Eggenberg ⁽²⁾	52	Director
Robert McNamara ⁽¹⁾⁽²⁾	65	Director
Matthew Rizzo ⁽²⁾	50	Director
Stavros Vizirgianakis	51	Chairman of the Board and Director

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

Jeffrey Peters, a current Board member and the former Chairman of the Board, is not standing for re-election at the Annual Meeting. The Board thanks Mr. Peters for his dedicated service to the Company.

Each director elected at the Annual Meeting will serve a one-year term until the Company's next annual meeting and until his successor is duly elected and qualified or until his earlier death, resignation, disqualification, or removal. Unless otherwise instructed, the proxy-holders will vote the proxies received by them for the six nominees. If any nominee should become unavailable for election prior to the Annual Meeting, an event that currently is not anticipated by the Board, the proxies will be voted in favor of the election of a substitute nominee or nominees proposed by the Board. Each nominee has agreed to serve if elected, and the Board has no reason to believe that any nominee will be unable to serve.

Board Nomination Rights

Pursuant to an Investor Rights Agreement, dated as of February 14, 2018 ("Investor Rights Agreement"), by and among the Company and certain stockholders, including without limitation, OrbiMed Royalty Opportunities II, LP ("Royalty Opportunities") and ROS Acquisition Offshore LP ("ROS" and, together with Royalty Opportunities, the "Investors"), for so long as the Ownership Threshold (as defined in the Investor Rights Agreement and below) is met, the Investors are entitled to nominate such individuals to the Board constituting a majority of the directors. However, the Investors waived this right and have nominated only two directors, Michael Eggenberg and Matthew Rizzo, to the Board for the ensuing year.

In connection with our recent private placement, we entered into an agreement with Stavros Vizirgianakis, as the lead investor of the private placement, pursuant to which we agreed to provide Mr. Vizirgianakis certain director nomination rights. Pursuant to the terms of the agreement, we agreed to and expanded the size of the Board by one position and elected Mr. Vizirgianakis as a director to fill the vacancy created as a result of the increase, effective upon completion of the closing of the first tranche of securities in the private placement. In addition, we agreed to and elected Mr. Vizirgianakis as Chairman of the Board, effective upon completion of the first closing. The director nomination rights set forth in the agreement will

terminate on the earlier of (i) the date on which Mr. Vizirgianakis ceases to hold at least 75% of the shares of our common stock purchased by him in the private placement; (ii) the second anniversary of the date of the second closing; or (iii) upon written notice of Mr. Vizirgianakis to the Company.

Additional Information About Director Nominees

The Board believes that our six director nominees collectively have the experience, qualifications, attributes, and skills to effectively oversee the management of the Company, including a high degree of personal and professional integrity, an ability to exercise sound business judgment on a broad range of issues, sufficient experience and background to have an appreciation of the issues facing the Company, a willingness to devote the necessary time to Board duties, a commitment to representing the best interests of the Company and our stockholders, and a dedication to enhancing stockholder value.

The business experience of each nominee for director is summarized below.

John Bakewell has served as a member of our Board since February 2018. Mr. Bakewell was initially elected to the Board in connection with our restructuring in February 2018. Mr. Bakewell is an independent board member and consultant to the medical technology industry. He also serves on the board of directors of Treace Medical Concepts, Inc. (TMCI) and Neuronetics, Inc. (STIM), both publicly held companies and Impulse Dynamics, N.V., a privately held medical device company. Mr. Bakewell served as the Chief Financial Officer of Exact Sciences Corporation, a molecular diagnostics company, from January 2016 to November 2016. Mr. Bakewell previously served as the Chief Financial Officer of Lantheus Holdings, Inc., a diagnostic medical imaging company, from June 2014 to December 2015, as the Chief Financial Officer of Interline Brands, Inc., a distributor and direct marketer of broad-line maintenance, repair and operations products, from June 2013 to May 2014, and as the Executive Vice President and Chief Financial Officer of RegionalCare Hospital Partners, an owner and operator of non-urban hospitals, from January 2010 to December 2011. In addition, Mr. Bakewell held the position of Chief Financial Officer with Wright Medical Group, Inc., an orthopaedic company, from 2000 to 2009, with Altra Energy Technologies, Inc. from 1998 to 2000, with Cyberonics, Inc. from 1993 to 1998 and with Zeos International, Ltd. from 1990 to 1993. Mr. Bakewell began his career in the public accounting profession, serving seven years, collectively, with Ernst & Young and KPMG Peat Marwick. Mr. Bakewell previously served on the board of directors of Entellus Medical, Inc., a public ENT-focused medical device company, until its acquisition by Stryker Corp.; ev3 Inc., a public endovascular medical device company, until its acquisition by Covidien plc; Keystone Dental, Inc., a private dental implant medical device company; and Corindus Vascular Robotics, Inc., a public cardiovascular robotics medical technology company and now a Siemens Healthineers company. Mr. Bakewell holds a Bachelor of Arts in Accounting from the University of Northern Iowa and is a certified public accountant (current status inactive). Mr. Bakewell's extensive financial and managerial experience as a senior executive of several publicly traded medical technology companies, as well as his experience serving on the board of directors of other companies contributes valuable experience to our Board.

Sean E. Browne was appointed our President and Chief Executive Officer in October 2019 and has served as a member of our Board since October 2019. Prior to this, Mr. Browne served as Chief Revenue Officer of CCS Medical, Inc., a provider of home delivery medical supplies, from September 2014 to June 2019. Prior to CCS Medical, Mr. Browne served as Chief Operating Officer of The Kini Group, an integrated cloud-based software analytics and advisory firm, from March 2013 to August 2014. From November 2007 to March 2016, Mr. Browne served as President and Chief Executive Officer and a director of Neuro Resource Group, a venture start-up medical device company that was sold to a strategic buyer. In other roles, Mr. Browne served as President, Miltex Surgical Instrument Division for Integra LifeSciences Holdings Corporation, a publicly held medical device company that acquired Miltex Holdings, Inc. Mr. Browne served as Vice President, Sales and Marketing of Esurg.com, an e-commerce company serving physician and ambulatory surgery markets. Prior to Esurg.com, Mr. Browne served as Senior Vice President, Health Systems Division of McKesson Corporation, a drug company, and prior to McKesson, served in various positions with increasing responsibility at Baxter Healthcare. Mr. Browne holds a Masters of Business Administration from the Kellogg School of Management at Northwestern University and a Bachelor of Science degree, with a major in Finance and minor in Statistics, from Boston University. We believe that Mr. Browne's day-to-day operations experience as a result of his role as our President and Chief Executive Officer enable him to make valuable contributions to the Board of Directors. In addition, in his role as President and Chief Executive Officer, Mr. Browne provides unique insight into our business strategies, opportunities and challenges, and serves as the unifying element between the leadership and strategic direction provided by the Board of Directors and the implementation of our business strategies by management.

Michael Eggenberg has served as a member of our Board since February 2018. Mr. Eggenberg was initially elected to the Board in connection with our restructuring in February 2018. Mr. Eggenberg is a designee of Royalty Opportunities and

ROS under the Investor Rights Agreement. Since December 2016, Mr. Eggenberg has been a Managing Director with OrbiMed Advisors LLC, a private equity and venture capital firm, focusing on healthcare royalty and structured finance investments. From May 2005 to December 2016, Mr. Eggenberg was with Fortress Investment Group LLC, a global investment manager, most recently as a Managing Director focused on special opportunities funds. Mr. Eggenberg previously held positions at CIT Group Inc., Wells Fargo Bank, N.A. and Bank of America, formerly NationsBank. Mr. Eggenberg received his BS in Finance and General Business from Drexel University. Mr. Eggenberg brings valuable experience in the life science industry and finance experience to the Board.

Robert McNamara has served as a member of our Board since February 2018. He has over 25 years experience in the medical device industry. Mr. McNamara was initially elected to the Board in connection with our restructuring in February 2018. He also serves as Audit Committee Chairman of Axonics, Inc. (AXNX) and as a board member of Alpha Teknova, Inc. (TKNO). From January 2013 to July 2016, Mr. McNamara served as Executive Vice President and from April 2012 to July 2016 as the Chief Financial Officer for LDR Holding Corporation, a publicly held medical device (spinal implants) company acquired by Zimmer Biomet Holdings, Inc. In addition, Mr. McNamara has previously served as the Senior Vice President and Chief Financial Officer for publicly traded medical device companies including Accuray Inc., a stereotactic radiation company focused on treating cancer using AI robotics, Somnus Medical Technologies Inc., a RF energy company focused on treating upper airway breathing disorders, and Target Therapeutics, Inc., a minimally invasive catheter and device company treating vascular diseases of the brain. Mr. McNamara has been a member of the board of directors of Northstar Neurosciences Inc. and is the former Mayor of Menlo Park, California. Mr. McNamara began his career in public accounting and is a certified public accountant (current status inactive). Mr. McNamara holds a Bachelor of Science in Accounting from the University of San Francisco and a Masters of Business Administration in Finance from The Wharton School at the University of Pennsylvania. Mr. McNamara brings valuable finance and accounting experience in the medical device industry to the Board.

Matthew Rizzo has served as a member of our Board since February 2018. Mr. Rizzo was initially elected to the Board in connection with our restructuring in February 2018. Mr. Rizzo is a designee of Royalty Opportunities and ROS under the Investor Rights Agreement. Since December 2021, Mr. Rizzo has served as a General Partner with OrbiMed Advisors LLC, a private equity and venture capital firm, and is focused on healthcare royalty and structured finance investments. From April 2010 to December 2021, Mr. Rizzo served as a Partner with OrbiMed Advisors LLC. From 2009 to 2010, Mr. Rizzo was a Senior Director in Business Development at Ikaria, a biotherapeutics company. From 2006 to 2009, Mr. Rizzo was Vice President at Fortress Investment Group LLC, a global investment manager, focused on healthcare investments in the Drawbridge Special Opportunities Funds. From 2001 to 2006, Mr. Rizzo was at GlaxoSmithKline, where he worked in business and commercial analysis. Mr. Rizzo received his MBA from Duke University and his BS from University at Buffalo. Mr. Rizzo brings valuable experience in the life science industry and finance experience to the Board.

Stavros Vizirgianakis has served as a member of our Board since August 2022. Mr. Vizirgianakis was elected to the Board in connection with our private placement in August 2022. Mr. Vizirgianakis is the former Chief Executive Officer of Misonix, Inc., a medical device company that Bioventus Inc. acquired in 2021. Mr. Vizirgianakis has a distinguished career in the medical devices field having worked for United States Surgical Corporation as director of sales for sub-Saharan Africa and later Tyco Healthcare in the capacity of General Manager South Africa. In 2006, Mr. Vizirgianakis co-founded Surgical Innovations, which has become one of the largest privately owned medical device distributors in the African region, and now part of the Johannesburg Stock Exchange listed entity Ascendis Health. Mr. Vizirgianakis was Managing Director of Ascendis Medical from January 2014 through July 2016. Mr. Vizirgianakis served as the President and Chief Executive Officer of Misonix from September 2016 through October 2021. He also served on the board of Bioventus Inc. and Tenaxis Medical and is a strategic investor and advisor to numerous medical device startups and established companies in this field. Mr. Vizirgianakis has a Degree in Commerce from the University of South Africa.

Board Recommendation

The Board unanimously recommends that you vote “**FOR**” the election of John Bakewell, Sean E. Browne, Michael Eggenberg, Robert McNamara, Matthew Rizzo and Stavros Vizirgianakis to serve as directors until the next annual meeting of stockholders and until their respective successors are duly elected and qualified.

The Board Recommends a Vote FOR the Election of All Six Nominees for Director



GENERAL INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Investor Rights Agreement

We are party to an Investor Rights Agreement with Royalty Opportunities and ROS, which are funds affiliated with OrbiMed Advisors LLC (“OrbiMed”). Under the Investor Rights Agreement, Royalty Opportunities and ROS are permitted to nominate a majority of the directors and designate the chairperson of our Board of Directors at subsequent annual meetings, as long as they maintain an ownership threshold in our Company of at least 40% of our then outstanding common stock (the “Ownership Threshold”). If Royalty Opportunities and ROS are unable to maintain the Ownership Threshold, the Investor Rights Agreement contemplates a reduction of nomination rights commensurate with their ownership interests. In addition, for so long as the Ownership Threshold is met, we must obtain the approval of a majority of our common stock held by Royalty Opportunities and ROS to proceed with the following actions: (i) issue new securities; (ii) incur over \$250,000 of debt in a fiscal year; (iii) sell or transfer over \$250,000 of our assets or businesses or our subsidiaries in a fiscal year; (iv) acquire over \$250,000 of assets or properties in a fiscal year; (v) make capital expenditures over \$125,000 individually, or \$1.5 million in the aggregate during a fiscal year; (vi) approve our annual budget; (vii) hire or terminate our chief executive officer; (viii) appoint or remove the chairperson of our Board of Directors; and (ix) make, loans to, investments in, or purchase, or permit any subsidiary to purchase, any stock or other securities in another entity in excess of \$250,000 in a fiscal year. As long as the Ownership Threshold is met, we may not increase the size of our Board or Directors beyond seven directors without the approval of a majority of the directors nominated by Royalty Opportunities and ROS.

The Investor Rights Agreement grants Royalty Opportunities and ROS the right to purchase from us a pro rata amount of any new securities that we may propose to issue and sell. The Investor Rights Agreement may be terminated (a) upon the mutual written agreement of all the parties, (b) upon our written notice, ROS or Royalty Opportunities if the ownership percentage of our then outstanding common stock of ROS and Royalty Opportunities is less than 10%, or (c) upon written notice of ROS and Royalty Opportunities.

Controlled Company Status

We are a “controlled company” as defined in section 801(a) of the NYSE American Company Guide because more than 50% of the combined voting power of all of our outstanding common stock is beneficially owned by funds affiliated with OrbiMed Advisors LLC. As such, we are exempt from certain NYSE American rules requiring our Board of Directors to have a majority of independent members, a compensation committee composed entirely of independent directors and a nominating committee composed entirely of independent directors. While we have a compensation committee, it is not comprised of a majority of independent directors. Since we do not have a nominating committee, the Board of Directors performs the functions of a nominating committee.

Director Independence

The Board has affirmatively determined that John Bakewell and Robert McNamara are “independent directors,” as defined under the independence standards of the NYSE American.

Board Leadership Structure

Under the terms of the Investor Rights Agreement, Royalty Opportunities and ROS have the right to designate the Chairman of the Board and previously designated Jeffrey Peters as Chairman of the Board. However, following waiver of this provision by Royalty Opportunities and ROS, Stavros Vizirgianakis was appointed Chairman of the Board in August 2022 in connection with our private placement. Accordingly, Mr. Vizirgianakis serves as Chairman of the Board. Sean E. Browne serves as our President and Chief Executive Officer. We believe this leadership structure is in the best interests of the Company and our stockholders and strikes the appropriate balance between the Chief Executive Officer’s responsibility for the strategic direction, day-to-day leadership, and performance of the Company and the Chairman of the Board’s responsibility to guide the overall strategic direction of the Company, provide oversight of our corporate governance and guidance to our Chief Executive Officer, and to set the agenda for and preside over Board meetings. We recognize that different leadership structures may be appropriate for companies in different situations and believe that no one structure is suitable for all companies. We believe that we are currently well-served by this leadership structure.

Board Meetings

The Board met 20 times during fiscal 2021. During fiscal 2021, each director attended at least 75% of the meetings of the Board and Board committees on which the director served during the last fiscal year.

We do not have a formal policy on Board member attendance at annual meetings of stockholders. All Board members serving at the time of the Company's 2021 annual meeting of stockholders attended the annual meeting either in person or by telephone.

Board Committees

We currently maintain two standing Board committees, an Audit Committee and a Compensation Committee. We are a controlled company and have elected not to comply with the NYSE American corporate governance requirements, which require an independent nomination and governance committee and an independent compensation committee. We currently do not maintain a nomination and governance committee. While we maintain a Compensation Committee, it is not independent according to NYSE American corporate governance requirements.

The table below summarizes the current membership of each of our board committees as of September 15, 2022.

Director	Audit Committee	Compensation Committee
John Bakewell	Chair	
Sean Browne		
Michael Eggenberg		•
Robert McNamara	•	Chair
Jeffrey Peters		
Matthew Rizzo		•
Stavros Vizirgianakis		

Audit Committee

The organization and primary responsibilities of the Audit Committee are set forth in its charter, posted on our website at www.xtantmedical.com (click "Investors" and "Corporate Governance"), and include various matters with respect to the oversight of our accounting and financial reporting process and audits of our financial statements. The primary purposes of the Audit Committee include:

- to oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;
- to provide assistance to the Board with respect to its oversight of the following:
 - the integrity of the Company's financial statements and internal controls;
 - the Company's compliance with legal and regulatory requirements;
 - the qualifications and independence of the Company's independent registered public accounting firm; and
 - the performance of the Company's internal audit function, if any, and independent registered public accounting firm.
- to prepare the report required to be prepared by the Audit Committee pursuant to the rules of the Securities and Exchange Commission.

The Audit Committee currently consists of Mr. Bakewell (Chair) and Mr. McNamara. The Audit Committee met five times during fiscal 2021. Under the NYSE American listing standards, all Audit Committee members must be independent directors and meet heightened independence requirements under the federal securities laws. In addition, all Audit Committee members must be financially literate, and at least one member must be financially sophisticated. Further, under SEC rules,

the Board must determine whether at least one member of the Audit Committee is an “audit committee financial expert,” as defined by the SEC’s rules. The Board has determined that both Mr. Bakewell and Mr. McNamara are independent, financially literate, and sophisticated and qualify as “audit committee financial experts” in accordance with the applicable rules and regulations of the SEC.

Compensation Committee

The organization and responsibilities of the Compensation Committee are set forth in its charter, which is posted on our website at www.xtantmedical.com (click “Investors” and “Corporate Governance”). The primary purposes of the Compensation Committee include:

- recommending to the Board all compensation for the Company’s Chief Executive Officer and other executive officers;
- administering the Company’s equity-based compensation plans;
- reviewing, assessing, and approving overall strategies for attracting, developing, retaining, and motivating Company management and employees;
- overseeing the development and implementation of succession plans for the Chief Executive Officer and other key executive officers and employees;
- reviewing, assessing, and approving overall compensation structure on an annual basis; and
- recommending and leading a process for the determination of non-employee director compensation.

The Compensation Committee consists of Mr. McNamara (Chair), Mr. Eggenberg and Mr. Rizzo. The Compensation Committee met six times during fiscal 2021.

As described above, the Compensation Committee is responsible for recommending to the Board all compensation for the Company’s Chief Executive Officer and other executive officers. Although the Compensation Committee may delegate any or all of its responsibilities to a subcommittee of the Compensation Committee, it has not done so. The Company’s Chief Executive Officer provides his recommendations to the Compensation Committee regarding compensation to be paid to the executive officers and bonus plan performance objectives and goals. The Compensation Committee may engage and obtain advice and assistance from outside advisors as it deems necessary to carry out its duties. Although it has engaged a compensation consultant in the past, it has not done so recently, although the Compensation Committee has recently subscribed to and used proxy reporting data provided by Aon plc’s CG Pro database.

Director Nomination Process

Since we are not required under the NYSE rules to maintain a nominating committee and we do not have a nominating committee, the Board oversees our director nomination process. In identifying and evaluating candidates for membership on the Board, the Board may take into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills, diversity (including, but not limited to, gender, race, ethnicity, age, experience, and skills), and the extent to which the candidate would fill a present need on the Board. We do not have a formal diversity policy for directors. The Board identifies director candidates based on input provided by a number of sources, including Board members, stockholders, management, and third parties. Since the last annual meeting of stockholders, Stavros Vizirgianakis joined the Board and did so in connection with our recent private placement. The Board does not distinguish between nominees recommended by our stockholders and those recommended by other parties. Any stockholder recommendation must be sent to our Corporate Secretary at Xtant Medical Holdings, Inc., 664 Cruiser Lane, Belgrade, Montana 59714, and must include certain information concerning the nominee as specified in the Company’s Second Amended and Restated Bylaws. During the fourth quarter of 2021, we made no material changes to the procedures by which stockholders may recommend nominees to the Board.

Risk Oversight

The Board has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. The Board relies upon management to supervise day-to-day risk management.

Risk is inherent in every business. We face a number of risks, including regulatory, compliance, legal, competitive, financial (accounting, credit, interest rate, liquidity, and tax), operational, political, strategic, and reputational risks. Our management is responsible for the day-to-day management of risks faced by us, while the Board, as a whole and through the Audit Committee, has responsibility for the oversight of risk management. In its risk oversight role, the Board ensures that the risk management processes designed and implemented by management are adequate and functioning as designed. The Board oversees risks through the establishment of policies and procedures that are designed to guide daily operations in a manner consistent with applicable laws, regulations, and risks acceptable to the Company. The Audit Committee's role includes a particular focus on the qualitative aspects of financial reporting to stockholders, our processes for the management of business and financial risks, and compliance with significant applicable legal, ethical, and regulatory requirements. The Audit Committee, along with management, is also responsible for developing and participating in a process for the review of important financial and operating topics that present potential significant risks to the Company. Additionally, the Audit Committee is responsible for overseeing the integrity of the Company's information technology systems, processes and data, and for periodically reviewing and assessing with management (i) the adequacy of controls and security for the Company's information technology systems, processes and data, and (ii) the Company's contingency plans in the event of a breakdown or security breach affecting the Company's information technology systems, to the extent possible. Management regularly discusses with the Board the strategies and risks facing the Company. This current leadership structure, which includes separate Chairman and Chief Executive Officer roles, is appropriate and in the best interests of the Company and its stockholders at this time for a number of reasons, including (i) the extensive experience of the members of the Board and management, (ii) our status as a controlled company, and (iii) the appropriate balance of risks relating to the concentration of authority through the oversight of our Chairman.

Code of Ethics and Code of Conduct

We have adopted a Code of Ethics for the CEO and Senior Financial Officers as well as a Code of Conduct that applies to all directors, officers, and employees. Our corporate governance materials, including our Code of Ethics for the CEO and Senior Financial Officers and Code of Conduct, are available on our website at www.xtantmedical.com (click "Investors" and "Corporate Governance"). We intend to disclose on our corporate website any amendment to, or waiver from, a provision of our Code of Ethics for the CEO and Senior Financial Officers that applies to directors and executive officers and that is required to be disclosed pursuant to the rules of the SEC and the NYSE American.

Stockholder Communications

The Board does not have a formal process for stockholders to send communications to the Board and does not feel that such a process is necessary at this time. If the Company receives stockholder communications that cannot be properly addressed by officers of the Company, the officers bring the matter to the attention of the Board.

Director Compensation

Director Compensation Program

Our director cash compensation consists of an annual cash retainer paid to each non-employee director and an additional annual cash retainer paid to the Chairman of the Board, the Audit Committee Chair, and the Compensation Committee Chair and annual restricted stock unit ("RSU") equity grants.

The table below sets forth the current annual cash retainers for 2021:

Description	Annual Cash Retainer
Non-Employee Director	\$ 50,000
Chairman of the Board Premium	32,500
Audit Committee Chair Premium	32,500
Compensation Committee Chair Premium	32,500

In addition, during a portion of 2021 and until August 25, 2022, we maintained a Strategic Transactions Committee on which Mr. McNamara served as Chair and received a pro rata portion of an annual cash retainer of \$25,000.

In 2021, we revised our non-employee director compensation program to provide for annual RSU equity grants, and accordingly, on August 15, 2021, each of our non-employee directors received an RSU award valued at \$165,000 for 85,337 shares of our common stock. All of these RSU awards vested on the one-year anniversary of the date of grant, August 15, 2022.

Director Compensation Table for Fiscal 2021

The table below describes the compensation earned by our directors during fiscal 2021, other than Sean E. Browne, our President and Chief Executive Officer. Mr. Browne is not compensated separately for his service as a director, and his compensation is discussed under “*Executive Compensation*.”

Name	Fees Earned or Paid in Cash	Stock Awards⁽¹⁾⁽²⁾	Option Awards	All Other Compensation	Total
John Bakewell	\$ 82,500	\$ 108,378	\$ —	\$ —	\$ 190,878
Michael Eggenberg	50,000	108,378	—	—	158,378
Robert McNamara	95,000	108,378	—	—	203,378
Jeffrey Peters	82,500	108,378	—	—	190,878
Matthew Rizzo	50,000	108,378	—	—	158,378

(1) On August 15, 2021, each non-employee director received an RSU for 85,337 shares of our common stock. The amount reported in the “Stock Awards” column represents the aggregate grant date fair value for the RSU award granted to each non-employee director, which differs from the \$165,000 value used to determine the number of RSUs since the grant date differed from the date used to determine the number of RSUs. The grant date fair value for the RSU awards was determined based on the closing sale price of our common stock on the grant date.

(2) As of December 31, 2021, each non-employee director held the following number of unvested stock awards (all of which are in the form of RSU awards): Mr. Bakewell (143,436); Mr. Eggenberg (120,549); Mr. McNamara (143,436); Mr. Peters (143,146); and Mr. Rizzo (120,549).

**PROPOSAL TWO—RATIFICATION OF APPOINTMENT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

Appointment of Independent Registered Public Accounting Firm

We are seeking stockholder ratification of the appointment of Plante Moran as our independent registered public accounting firm for the fiscal year ending December 31, 2022 as a matter of good corporate governance. If the stockholders fail to ratify the appointment of Plante Moran, the Audit Committee may reconsider its appointment. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee feels that such a change would be in the best interests of the Company and our stockholders. We do not expect representatives from Plante Moran to attend the Annual Meeting.

Audit and Non-Audit Fees

Plante Moran served as the independent registered public accounting firm to audit our books and accounts for the fiscal years ended December 31, 2021 and 2020.

The table below presents the aggregate fees billed for professional services rendered by Plante Moran for the years ended December 31, 2021 and December 31, 2020.

	<u>2021</u>	<u>2020</u>
Audit fees	\$ 284,317	\$ 262,116
Audit-related fees	—	—
Tax fees	—	—
All other fees	8,000	18,500
Total fees	<u>\$ 292,317</u>	<u>\$ 280,616</u>

In the above table, “audit fees” are fees billed for services provided related to the audit of our annual financial statements, quarterly reviews of our interim financial statements, and services normally provided by the independent accountant in connection with statutory and regulatory filings or engagements for those fiscal periods. “Audit-related fees” are fees not included in audit fees that are billed by the independent accountant for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. These audit-related fees also consist of the review of our registration statements filed with the SEC and related services normally provided in connection with statutory and regulatory filings or engagements. “Tax fees” are fees billed by the independent accountant for professional services rendered for tax compliance, tax advice, and tax planning. “All other fees” are fees billed by the independent accountant for products and services not included in the foregoing categories.

Pre-Approval Policy

It is the Audit Committee’s policy to approve in advance the types and amounts of audit, audit-related, tax, and any other services to be provided by our independent registered public accounting firm. In situations where it is not practicable to obtain full Audit Committee approval, the Audit Committee has delegated authority to the Chair of the Audit Committee to grant pre-approval of auditing, audit-related, tax, and all other services up to \$20,000. Any pre-approved decisions by the Chair are required to be reviewed with the Audit Committee at its next scheduled meeting. The Audit Committee, or the Audit Committee Chair pursuant to this delegation, approved 100% of all services provided by Plante Moran during 2021 and 2020.

Audit Committee Report

The Audit Committee reviews the Company’s financial reporting process on behalf of the Board. Management has the primary responsibility for establishing and maintaining adequate internal financial control, for preparing the financial statements, and for the public reporting process. Plante Moran, our independent registered public accounting firm, is responsible for expressing opinions on the conformity of the Company’s audited financial statements with generally accepted accounting principles. In this context, the Audit Committee has (i) reviewed and discussed the audited financial statements with management and our independent registered public accounting firm, (ii) discussed with our independent auditor the

matters that are required to be discussed by the applicable Public Company Accounting Oversight Board and SEC standards, and (iii) received written disclosures and the letter from our independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor’s communications with the Audit Committee concerning independence and has discussed with the independent auditor the independent auditor’s independence. Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Respectfully submitted,

John Bakewell
Robert McNamara

Board Recommendation

The Board unanimously recommends that stockholders vote “**FOR**” the ratification of the appointment of Plante Moran as our independent registered public accounting firm for the fiscal year ending December 31, 2022.

The Board Recommends a Vote FOR the Ratification of the Appointment of Plante Moran as our Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2022



PROPOSAL THREE—ADVISORY VOTE ON EXECUTIVE COMPENSATION

Background

The Board is providing our stockholders with an advisory vote on our executive compensation pursuant to the Dodd-Frank Wall Street Consumer Protection Act and Section 14A of the Securities Exchange Act of 1934, as amended. This advisory vote, commonly known as a say-on-pay vote, is a non-binding vote on the compensation paid to our named executive officers as set forth in this proxy statement.

At our 2021 Annual Meeting of Stockholders, our stockholders had the opportunity to vote on an advisory say-on-pay proposal. Approximately 99% of the votes cast were in favor of our say-on-pay proposal. At our 2019 Annual Meeting of Stockholders, the Company submitted to stockholders a frequency of say-on-pay vote, recommending that a say-on-pay proposal be submitted annually. Our stockholders voted overwhelmingly in favor of an annual say-on-pay vote. Accordingly, stockholders are being provided with a say-on-pay vote at this year's Annual Meeting.

Why You Should Vote in Favor of Our Say-On-Pay Proposal

Our executive compensation program is generally designed to attract, retain, motivate, and reward highly qualified and talented executive officers that will enable us to drive long-term stockholder value.

Our compensation practices include many best pay practices that support our executive compensation objectives and principles and benefit our stockholders.

<u>What We Do:</u>	<u>What We Don't Do:</u>
<ul style="list-style-type: none">• Structure our executive officer compensation so that a significant portion of pay is at risk	<ul style="list-style-type: none">• No repricing of stock options unless approved by stockholders
<ul style="list-style-type: none">• Emphasize long-term performance in our equity-based incentive awards	<ul style="list-style-type: none">• No excessive perquisites
<ul style="list-style-type: none">• Use a mix of performance measures and caps on payouts	<ul style="list-style-type: none">• No guaranteed salary increases or bonuses
<ul style="list-style-type: none">• Require minimum vesting periods on equity awards	<ul style="list-style-type: none">• No tax or excise tax gross-ups
<ul style="list-style-type: none">• Require double-trigger for equity acceleration upon a change of control	<ul style="list-style-type: none">• No short sales or derivative transactions in Xtant stock, including hedges
<ul style="list-style-type: none">• Maintain competitive compensation packages	<ul style="list-style-type: none">• No pledging of Xtant securities

We encourage our stockholders to read the “*Executive Compensation*” section beginning on page 30, which describes in detail our executive compensation program and the executive compensation decisions made by the Compensation Committee for 2021, as well as the accompanying executive compensation tables and narratives that provide detailed information on the compensation of our named executive officers.

We believe that our executive compensation program is competitive, focused on pay for performance, and strongly aligned with the long-term interests of our stockholders. The Board believes that executive compensation for 2021 was reasonable, appropriate, and justified by the performance of the Company and the result of a carefully considered approach.

Proposed Resolution

The Board recommends that our stockholders vote in favor of the say-on-pay vote as set forth in the following resolution:

RESOLVED, that our stockholders approve, on an advisory basis, the compensation paid to our named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC, including in the “*Executive Compensation*” section, the accompanying compensation tables and the corresponding narrative discussion and footnotes, and any related material disclosed in this proxy statement.

Stockholders are not voting to approve or disapprove the Board’s recommendation. As this is an advisory vote, the outcome of the vote is not binding on us with respect to future executive compensation decisions, including those relating to our named executive officers, or otherwise. The Compensation Committee and Board expect to take into account the outcome of the vote when considering future executive compensation decisions.

Next Say-On-Pay Vote

The next say-on-pay vote will occur at our 2023 Annual Meeting of Stockholders.

Board Recommendation

The Board unanimously recommends that our stockholders vote “**FOR**” approval, on an advisory basis, of our executive compensation, or say-on-pay vote.

**The Board Recommends a Vote FOR Approval, on an Advisory Basis,
of our Executive Compensation, or Say-on-Pay Vote**



**PROPOSAL FOUR— APPROVAL OF THE
XTANT MEDICAL HOLDINGS, INC. SECOND AMENDED AND RESTATED 2018 EQUITY INCENTIVE PLAN**

Background and Proposed Amendments

On September 16, 2022, the Board, upon recommendation of the Compensation Committee, approved, subject to approval by our stockholders, the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan (the “Amended 2018 Plan”), which incorporates certain amendments to the existing plan (the “2018 Plan”). The Amended 2018 Plan incorporates an amendment to increase the number of shares of the Company’s common stock available for issuance under the plan by an additional 8,500,000 shares and an increase to the limit on incentive stock options commensurate with the overall share authorization.

The Amended 2018 Plan permits the grant of non-statutory and incentive stock options, stock appreciation rights, or “SARs,” restricted stock awards, restricted stock units, or “RSUs,” deferred stock units, or “DSUs,” performance awards, non-employee director awards, and other stock-based awards. Our continuing ability to offer equity incentive awards under the 2018 Plan is critical to our ability to attract, motivate, and retain qualified personnel, particularly in light of the highly competitive market for employee talent in which we operate.

If our stockholders approve the Amended 2018 Plan, the Amended 2018 Plan will become effective as of the date of stockholder approval. If our stockholders do not approve the Amended 2018 Plan, the 2018 Plan, as currently in effect, will remain in effect until it terminates in accordance with its terms.

Reasons Why You Should Vote in Favor of the Amended 2018 Plan

The Board recommends a vote “FOR” approval of the Amended 2018 Plan because the Board believes the proposed Amended 2018 Plan is in the best interests of the Company and our stockholders for the following reasons:

- *Attracts and retains talent.* Talented and motivated employees, non-employee directors, and consultants are essential to executing our business strategies. Stock-based compensation is an important component of total compensation for our non-employee directors, executive officers and key employees because such compensation enables us to effectively recruit and retain qualified individuals while encouraging them to think and act like owners of Xtant.
- *Consistent with our pay-for-performance compensation philosophy to increase stockholder value.* We believe that stock-based compensation, by its very nature, is performance-based compensation. We use incentive compensation both to reinforce desired business results for our key employees and to motivate them to achieve those results.
- *Aligns director, employee and stockholder interests.* We believe our stock-based compensation programs help align the interests of our non-employee directors and employees with those of our stockholders. We believe our long-term stock-based incentives help promote long-term retention of our non-employee directors, employees and encourage significant ownership of our common stock. If the Amended 2018 Plan is approved, we will be able to maintain these important means of aligning the interests of our non-employee directors and employees with those of our stockholders.
- *Protects stockholder interests and embraces sound equity-based compensation practices.* As described below under the heading “—Summary of Sound Governance Features of the Amended 2018 Plan,” the Amended 2018 Plan includes a number of features that are consistent with protecting the interests of our stockholders and sound corporate governance practices.

Summary of Sound Governance Features of the Amended 2018 Plan

The Board and Compensation Committee believe that the Amended 2018 Plan contains several features that are consistent with protecting the interests of our stockholders and sound corporate governance practices, including the following:

✓ No automatic share replenishment or “evergreen” provision	✓ No re-pricing of “underwater” stock options or SARs without stockholder approval
✓ Will not be excessively dilutive to our stockholders	✓ No discounted or reload stock options or SARs
✓ Limit on non-employee director compensation	✓ No tax gross-ups
✓ No reload stock options or SARs	✓ “Clawback” provisions
✓ No liberal share counting or “recycling” of shares from exercised stock options, SARs, or other stock-based awards	✓ No liberal change in control definition

Background for Shares Authorized for Issuance

If the Amended 2018 Plan is approved, the maximum number of shares of common stock available for issuance under the Amended 2018 Plan will be equal to the sum of 8,358,055 shares currently available under the 2018 Plan plus 8,500,000 shares. As of September 15, 2022, 6,553,010 shares of our common stock were subject to outstanding awards under the 2018 Plan and no shares of our common stock remained available for issuance under the 2018 Plan.

In determining the number of shares of common stock by which to increase the Amended 2018 Plan, the Board and Compensation Committee considered a number of factors, which are discussed further below, including:

- Shares available under the 2018 Plan and total outstanding equity-based awards and how long the shares available are expected to last;
- Historical equity award granting practices, including our annual share usage rate (commonly referred to as “burn rate”); and
- Potential dilution and overhang.

Shares Available and Outstanding Equity Awards

While the use of long-term incentives in the form of equity awards is an important part of our compensation program, we are mindful of our responsibility to our stockholders to exercise judgment in the granting of equity awards. In setting the number of shares of common stock available for issuance under the Amended 2018 Plan, the Board and Compensation Committee considered shares available under the 2018 Plan and total outstanding equity awards and how long the shares available under the 2018 Plan are expected to last. To facilitate approval of the Amended 2018 Plan, set forth below is information about our shares of common stock that may be issued under our equity compensation plans as of September 15, 2022.

As of September 15, 2022, we had 101,981,250 shares of common stock issued and outstanding. The market value of one common share on September 15, 2022, as determined by reference to the closing price as reported on the NYSE American, was \$0.65.

As described in more detail in the table below, as of September 15, 2022:

- Stock options to purchase 2,854,860 shares of our common stock and RSUs covering 3,698,150 shares were outstanding under the 2018 Plan and stock options to purchase 13,311 shares of our common stock were outstanding under our prior equity compensation plan; and
- no shares remained available for issuance under the 2018 Plan and no shares remained available for issuance under any other equity compensation plan.

Historical Equity Award Granting Practices

In setting the number of shares of common stock authorized for issuance under the Amended 2018 Plan, the Board and Compensation Committee also considered the historical number of equity awards granted under the 2018 Plan and other equity compensation plans in the past three full fiscal years. The following table sets forth information regarding awards granted and earned and the annual burn rate for each of the last three fiscal years.

	2021	2020	2019
Stock options granted	1,012,083	1,708,743	554,825
RSUs awarded	1,249,002	2,148,662	459,914
Weighted average basic shares of common stock outstanding during fiscal year	85,456,175	28,499,847	13,163,931
Burn rate	2.6%	13.5%	7.7%

The Board and Compensation Committee also considered our three-year average burn rate (2019 to 2021) of approximately 7.9%. Based on historical and anticipated granting practices and the recent trading price of our common shares, we expect the additional shares authorized for issuance by the Amended 2018 Plan to cover awards for approximately two to three years. However, we cannot predict our future equity grant practices, the future price of our shares, or future hiring activity with any degree of certainty at this time, and the share increase provided by the Amended 2018 Plan could last for a shorter or longer period of time.

Potential Dilution and Overhang

In setting the number of shares of common stock authorized for issuance under the Amended 2018 Plan, the Board and Compensation Committee also considered the potential dilution and overhang that would result by approval of the Amended 2018 Plan, including the policies of certain institutional investors and major proxy advisory firms.

	Assuming Approval of Amended 2018 Plan
Options Outstanding as of September 15, 2022	2,867,705
Weighted Average Exercise Price of Options Outstanding	\$1.66
Weighted Average Remaining Term of Options Outstanding	8.2 years
Outstanding RSUs as of September 15, 2022	3,698,150
Total Equity Awards Outstanding	6,565,855
Common Shares Outstanding as of September 15, 2022	101,981,250
Potential Dilution as of September 15, 2022 ⁽¹⁾	6.4%
Shares Available for Future Grant under Amended 2018 Plan	8,500,000
Potential Overhang as of September 15, 2022 ⁽²⁾	14.8%
Common Shares Outstanding as of September 15, 2022, On a Pro Forma Basis to Reflect Completion of Second Closing of Private Placement	108,226,364
Potential Dilution as of September 15, 2022, On a Pro Forma Basis to Reflect Completion of Second Closing of Private Placement ⁽¹⁾	6.1%
Shares Available for Future Grant under Amended 2018 Plan	8,500,000
Potential Overhang as of September 15, 2022, On a Pro Forma Basis to Reflect Completion of Second Closing of Private Placement ⁽²⁾	13.9%

(1) Dilution consists of the number of shares subject to equity awards outstanding as of September 15, 2022 divided by the number of shares of common stock outstanding as of September 15, 2022. Dilution, on a pro forma basis to reflect the completion of the second closing of the private placement, consists of the number of shares subject to equity awards outstanding as of September 15, 2022 divided by the number of shares of common stock outstanding as of September 15, 2022, plus the number of additional shares of common stock to be issued by the Company in the second closing of the private placement, anticipated to be held on or about October 11, 2022.

(2) Overhang consists of the number of shares subject to equity awards outstanding as September 15, 2022 and the number of shares available for future grant under the Amended 2018 Plan divided by the number of shares of common stock outstanding as of September 15, 2022. Overhang, on a pro forma basis to reflect the completion of the second closing of the private placement, consists of the number of shares subject to equity awards outstanding as

September 15, 2022 and the number of shares available for future grant under the Amended 2018 Plan divided by the number of shares of common stock outstanding as of September 15, 2022, plus the number of additional shares of common stock to be issued by the Company in the second closing of the private placement, anticipated to be held on or about October 11, 2022.

Summary of the Amended 2018 Plan Features

The major features of the Amended 2018 Plan are summarized below. The summary is qualified in its entirety by reference to the full text of the Amended 2018 Plan, a copy of which may be obtained upon request to our Corporate Secretary at 664 Cruiser Lane, Belgrade, Montana 59714, or by telephone at (406) 388-0480. A copy of the Amended 2018 Plan has also been filed electronically with the SEC as an appendix to this proxy statement and is available through the SEC’s website at www.sec.gov.

<i>Purpose</i>	The purpose of the Amended 2018 Plan is to advance the interests of the Company and our stockholders by enabling the Company and our subsidiaries to attract and retain qualified individuals to perform services, provide incentive compensation for such individuals in a form that is linked to the growth and profitability of the Company and increases in stockholder value, and provide opportunities for equity participation that align the interests of participants with those of our stockholders.
<i>Plan Administration</i>	The Board and the Compensation Committee will continue to administer the Amended 2018 Plan, although the Board currently grants all equity awards under the 2018 Plan. Subject to certain limitations, the plan administrator has broad authority under the terms of the Amended 2018 Plan to take certain actions under the plan.
<i>Delegation</i>	To the extent permitted by applicable law, the Board or Compensation Committee may delegate to one or more of its members or to one or more officers of the Company such administrative duties or powers as it may deem advisable. The Board or Compensation Committee may authorize one or more directors or officers of the Company to designate employees, other than officers, non-employee directors, or 10% stockholders of the Company, to receive awards under the plan and determine the size of any such awards, subject to certain limitations.
<i>No Re-pricing</i>	The Board may not, without prior approval of our stockholders, effect any re-pricing of any previously granted “underwater” option or SAR by: (i) amending or modifying the terms of the option or SAR to lower the exercise price or grant price; (ii) canceling the underwater option or SAR in exchange for (A) cash; (B) replacement options or SARs having a lower exercise price or grant price; or (C) other awards; or (iii) repurchasing the underwater options or SARs and granting new awards under the Amended 2018 Plan. An option or SAR will be deemed to be “underwater” at any time when the fair market value of the common stock is less than the exercise price of the option or the grant price of the SAR.
<i>Shares Authorized</i>	<p>Subject to adjustment (as described below), the maximum number of shares of our common stock authorized for issuance under the Amended 2018 Plan will be 8,358,055 shares available under the 2018 Plan plus an additional 8,500,000 shares. No more than 16,858,055 total shares may be granted as incentive stock options.</p> <p>Shares that are issued under the Amended 2018 Plan or that are subject to outstanding awards will be applied to reduce the maximum number of shares remaining available for issuance under the Amended 2018 Plan only to the extent they are used; provided, however, that the full number of shares subject to a stock-settled SAR or other stock-based award will be counted against the shares authorized for issuance under the Amended 2018 Plan, regardless of the number of shares actually issued upon settlement of such SAR or other stock-based award. Any shares withheld to satisfy tax withholding obligations on awards issued under the Amended 2018 Plan, any shares withheld to pay the exercise price or grant price of awards under the Amended 2018 Plan, and any shares not issued or delivered as a result of the “net exercise” of an outstanding option or settlement of a SAR in shares will be counted against the shares authorized for issuance</p>

	<p>under the Amended 2018 Plan and will not be available again for grant under the Amended 2018 Plan. Shares subject to awards settled in cash will again be available for issuance pursuant to awards granted under the Amended 2018 Plan. Any shares repurchased by the Company on the open market using the proceeds from the exercise of an award will not increase the number of shares available for future grant of awards. Any shares related to awards granted under the Amended 2018 Plan that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of the shares will be available again for grant under the Amended 2018 Plan. To the extent permitted by applicable law, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or a subsidiary or otherwise will not be counted against shares available for issuance pursuant to the Amended 2018 Plan. The shares available for issuance under the Amended 2018 Plan may be authorized and unissued shares or treasury shares.</p>
<i>Non-Employee Director Compensation Limit</i>	<p>The Amended 2018 Plan limits total non-employee director compensation such that the sum of any cash compensation, or other compensation, and the value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of awards granted to a non-employee director as compensation for services as a non-employee director during any fiscal year of the Company may not exceed \$400,000 (increased to \$600,000 with respect to any non-employee director serving as chairman of the Board or lead independent director or in the fiscal year of a non-employee director's initial service as a non-employee director). Any compensation that is deferred will count towards this limit for the year in which the compensation is first earned, and not a later year of settlement.</p>
<i>Adjustments</i>	<p>In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin off), or other similar change in the corporate structure or shares of our common stock, the Board will make the appropriate adjustment or substitution. These adjustments or substitutions may be to the number and kind of securities and property that may be available for issuance under the Amended 2018 Plan. In order to prevent dilution or enlargement of the rights of participants, the Board may also adjust the number, kind, and exercise price of securities or other property subject to outstanding awards.</p>
<i>Eligible Participants</i>	<p>Awards may be granted to employees, non-employee directors, and consultants of the Company or any of our subsidiaries. A "consultant" for purposes of the Amended 2018 Plan is one who renders services to the Company or its subsidiaries that are not in connection with the offer and sale of our securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for our securities. As of September 15, 2022, 131 employees, five non-employee directors and no consultants would have been eligible to participate in the Amended 2018 Plan had it been approved by our stockholders at such time.</p>
<i>Types of Awards</i>	<p>The Amended 2018 Plan permits the grant of non-statutory and incentive stock options, SARs, restricted stock awards, RSUs, DSUs, performance awards, non-employee director awards, and other stock-based awards. Awards may be granted either alone or in addition to or in tandem with any other type of award.</p>
<i>Stock Options</i>	<p>Stock options entitle the holder to purchase a specified number of shares of our common stock at a specified price, which is called the exercise price, subject to the terms and conditions of the stock option grant. The Amended 2018 Plan permits the grant of both non-statutory and incentive stock options. Incentive stock options may be granted solely to eligible employees of the Company or its subsidiary. Each stock option granted under the Amended 2018 Plan must be evidenced by an award agreement that specifies the exercise price, the term, the number of shares underlying the stock option, the vesting, and any other conditions. The exercise price of each stock option granted under the Amended 2018 Plan must be at least 100% of the fair market value of a share of our common stock as of the date the award is granted to a participant. Fair market value</p>

	under the plan means, unless otherwise determined by the Committee, the closing price of our common stock, as reported on the NYSE American, on the immediately prior trading day. The closing price of our common stock, as reported on the NYSE American on September 15, 2022, was \$0.65 per share. The Board fixes the terms and conditions of each stock option, subject to certain restrictions, such as a ten-year maximum term.
<i>SARs</i>	A SAR is a right granted to receive payment of cash, stock, or a combination of both equal to the difference between the fair market value of shares of our common stock and the grant price of such shares. Each SAR granted must be evidenced by an award agreement that specifies the grant price, the term, and such other provisions as the Board may determine. The grant price of a SAR must be at least 100% of the fair market value of our common stock on the date of grant. The Board fixes the term of each SAR, but SARs granted under the Amended 2018 Plan will not be exercisable more than 10 years after the date the SAR is granted.
<i>Restricted Stock Awards, RSUs, and DSUs</i>	Restricted stock awards, RSUs, and/or DSUs may be granted under the Amended 2018 Plan. A restricted stock award is an award of common stock that is subject to restrictions on transfer and risk of forfeiture upon certain events, typically including termination of service. RSUs or DSUs are similar to restricted stock awards except that no shares are actually awarded to the participant on the grant date. DSUs permit the holder to receive shares of common stock or the equivalent value in cash or other property at a future time as determined by the Board. The Board will determine, and set forth in an award agreement, the period of restriction, the number of shares of restricted stock awards or the number of RSUs or DSUs granted, and other such conditions or restrictions.
<i>Performance Awards</i>	Performance awards, in the form of cash, shares of common stock, other awards, or a combination of both, may be granted under the Amended 2018 Plan in such amounts and upon such terms as the Board may determine. The Board will determine, and set forth in an award agreement, the amount of cash and/or number of shares or other awards, the performance goals, the performance periods, and other terms and conditions. The extent to which the participant achieves his or her performance goals during the applicable performance period will determine the amount of cash and/or number of shares or other awards earned by the participant.
<i>Non-Employee Director Awards</i>	The Board at any time and from time to time may approve resolutions providing for the automatic or other grant of awards under the Amended 2018 Plan to non-employee directors. Such awards may be granted singly, in combination, or in tandem, and may be granted pursuant to such terms, conditions, and limitations as the Board may establish in its sole discretion consistent with the provisions of the Amended 2018 Plan. The Board may permit non-employee directors to elect to receive all or any portion of their annual retainers, meeting fees, or other fees in restricted stock, RSUs, DSUs, or other stock-based awards in lieu of cash.
<i>Other Stock-Based Awards</i>	Consistent with the terms of the plan, other stock-based awards may be granted to participants in such amounts and upon such terms as the Board may determine.
<i>Dividend Equivalents</i>	With the exception of stock options, SARs, and unvested performance awards, awards under the Amended 2018 Plan may, in the Board's discretion, earn dividend equivalents with respect to the cash or stock dividends or other distributions that would have been paid on the shares of our common stock covered by such award had such shares been issued and outstanding on the dividend payment date. However, no dividends may be paid on unvested awards. Such dividend equivalents will be converted to cash or additional shares of our common stock by such formula and at such time and subject to such limitations as determined by the Board.
<i>Termination of Employment or Other Service</i>	The Amended 2018 Plan provides for certain default rules in the event of a termination of a participant's employment or other service. These default rules may be modified in an award agreement or an individual agreement between the Company and a participant. If a participant's employment or other service with the Company is terminated for cause, then all outstanding awards held by such participant will be terminated and forfeited. In

the event a participant's employment or other service with the Company is terminated by reason of death, disability, or retirement, then:

- All outstanding stock options (excluding non-employee director options in the case of retirement) and SARs held by the participant will, to the extent exercisable, remain exercisable for a period of one year after such termination, but not later than the date the stock options or SARs expire;
- All outstanding stock options and SARs that are not exercisable and all outstanding restricted stock will be terminated and forfeited; and
- All outstanding unvested RSUs, performance awards, and other stock-based awards held by the participant will terminate and be forfeited. However, with respect to any awards that vest based on the achievement of performance goals, if a participant's employment or other service with the Company or any subsidiary is terminated prior to the end of the performance period of such award, but after the conclusion of a portion of the performance period (but in no event less than one year), the Board may, in its sole discretion, cause shares to be delivered or payment made with respect to the participant's award, but only if otherwise earned for the entire performance period and only with respect to the portion of the applicable performance period completed at the date of such event, with proration based on the number of months or years that the participant was employed or performed services during the performance period.

In the event a participant's employment or other service with the Company is terminated by reason other than for cause, death, disability, or retirement, then:

- All outstanding stock options (including non-employee director options) and SARs held by the participant that then are exercisable will remain exercisable for three months after the date of such termination, but will not be exercisable later than the date the stock options or SARs expire;
- All outstanding restricted stock will be terminated and forfeited; and
- All outstanding unvested RSUs, performance awards, and other stock-based awards will be terminated and forfeited. However, with respect to any awards that vest based on the achievement of performance goals, if a participant's employment or other service with the Company or any subsidiary is terminated prior to the end of the performance period of such award, but after the conclusion of a portion of the performance period (but in no event less than one year), the Board may, in its sole discretion, cause shares to be delivered or payment made with respect to the participant's award, but only if otherwise earned for the entire performance period and only with respect to the portion of the applicable performance period completed at the date of such event, with proration based on the number of months or years that the participant was employed or performed services during the performance period.

*Modification of
Rights upon
Termination*

Upon a participant's termination of employment or other service with the Company or any subsidiary, the Board may, in its sole discretion (which may be exercised at any time on or after the grant date, including following such termination) cause stock options or SARs (or any part thereof) held by such participant as of the effective date of such termination to terminate, become, or continue to become exercisable or remain exercisable following such termination of employment or service, and restricted stock, RSUs, DSUs, performance awards, non-employee director awards and other stock-based awards held by such participant as of the effective date of such termination to terminate, vest, or become free of restrictions and conditions to payment, as the case may be, following such termination of employment or service, in each case in the manner determined by the Board; provided, however, that no stock option or SAR may remain exercisable beyond its expiration date. Any such action by the Board adversely affecting any outstanding award will not be effective without the consent of the affected

	<p>participant, except to the extent the Board is authorized by the Amended 2018 Plan to take such action.</p>
<p><i>Forfeiture and Recoupment</i></p>	<p>If a participant is determined by the Board to have taken any action while providing services to the Company or within one year after termination of such services that would constitute “cause” or an “adverse action,” as such terms are defined in the Amended 2018 Plan, all rights of the participant under the Amended 2018 Plan and any agreements evidencing an award then held by the participant will terminate and be forfeited. The Board has the authority to rescind the exercise, vesting, issuance, or payment in respect of any awards of the participant that were exercised, vested, issued, or paid and require the participant to pay to the Company, within 10 days of receipt of notice, any amount received or the amount gained as a result of any such rescinded exercise, vesting, issuance, or payment. The Company may defer the exercise of any stock option or SAR for up to six months after receipt of notice of exercise in order for the Board to determine whether “cause” or “adverse action” exists. The Company is entitled to withhold and deduct future wages or make other arrangements to collect any amount due.</p> <p>In addition, if the Company is required to prepare an accounting restatement due to material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws, then any participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 will reimburse the Company for the amount of any award received by such individual under the Amended 2018 Plan during the 12 month period following the first public issuance or filing with the SEC, as the case may be, of the financial document embodying such financial reporting requirement. The Company also may seek to recover any award made as required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act or any other clawback, forfeiture, or recoupment provision required by applicable law or under the requirements of any stock exchange or market upon which our common stock is then listed or traded or any policy adopted by the Company.</p>
<p><i>Effect of Change in Control</i></p>	<p>Generally, a change in control will mean:</p> <ul style="list-style-type: none"> • The acquisition, other than from the Company, by any individual, entity, or group of beneficial ownership of 50% or more of the then outstanding shares of common stock; • The consummation of a reorganization, merger, or consolidation of the Company with respect to which all or substantially all of the individuals or entities who were the beneficial owners of common stock and voting securities immediately prior to the transaction do not, following the transaction, beneficially own more than 50% of the outstanding shares of common stock of the corporation resulting from the transaction; or • A complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company. <p>Subject to the terms of the applicable award agreement or an individual agreement between the Company and a participant, upon a change in control, the Board may, in its discretion, determine whether some or all outstanding options shall become exercisable in full or in part, whether the restriction period and performance period applicable to some or all outstanding restricted stock awards and RSUs shall lapse in full or in part, and whether the performance measures applicable to some or all outstanding awards shall be deemed to be satisfied. The Board may further require that shares of stock of the corporation resulting from such a change in control, or a parent corporation thereof, be substituted for some or all of our shares of common stock subject to an outstanding award and that any outstanding awards, in whole or in part, be surrendered to us by the holder, to be immediately cancelled by us, in exchange for a cash payment, shares of capital stock of the corporation resulting from or succeeding us, or a combination of both cash and such shares of stock.</p>

*Term, Termination
and Amendment*

Unless sooner terminated by the Board, the Amended 2018 Plan will terminate at midnight on July 31, 2028. No award will be granted after termination of the Amended 2018 Plan, but awards outstanding upon termination of the Amended 2018 Plan will remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of the Amended 2018 Plan.

Subject to certain exceptions, the Board has the authority to suspend or terminate the Amended 2018 Plan or terminate any outstanding award agreement and the Board has the authority to amend the Amended 2018 Plan or amend or modify the terms of any outstanding award at any time and from time to time. No amendments to the Amended 2018 Plan will be effective without approval of the Company's stockholders if: (a) stockholder approval of the amendment is then required pursuant to Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), the rules of the primary stock exchange on which the common stock is then traded, applicable U.S. state and federal laws or regulations, and the applicable laws of any foreign country or jurisdiction where awards are, or will be, granted under the Amended 2018 Plan; or (b) such amendment would: (i) modify the re-pricing provisions of the Amended 2018 Plan; (ii) materially increase benefits accruing to participants; (iii) increase the aggregate number of shares of common stock issued or issuable under the Amended 2018 Plan; (iv) increase any limitation set forth in the Amended 2018 Plan on the number of shares of common stock which may be issued or the aggregate value of awards which may be made, in respect of any type of award to any single participant during any specified period; (v) modify the eligibility requirements for participants in the Amended 2018 Plan; or (vi) reduce the minimum exercise price or grant price as set forth in the Amended 2018 Plan. No termination, suspension, or amendment of the Amended 2018 Plan shall adversely affect any outstanding award previously granted under the Amended 2018 Plan without the written consent of the participant holding such award.

U.S. Federal Income Tax Information

The following is a general summary, as of the date of this proxy statement, of the U.S. federal income tax consequences to participants and Xtant of transactions under the Amended 2018 Plan. This summary is intended for the information of stockholders considering how to vote at the meeting and not as tax guidance to participants in the current or Amended 2018 Plan, as the consequences may vary with the types of grants made, the identity of the participant, and the method of payment or settlement. The summary does not address the effects of other U.S. federal taxes or taxes imposed under state, local, or foreign tax laws. Participants are encouraged to seek the advice of a qualified tax advisor regarding the tax consequences of participation in the Amended 2018 Plan.

Incentive Stock Options. With respect to incentive stock options, generally, the stock option holder is not taxed, and we are not entitled to a deduction, on either the grant or the exercise of an incentive stock option so long as the requirements of Section 422 of the Code continue to be met. If the stock option holder meets the employment requirements and does not dispose of the common shares acquired upon exercise of an incentive stock option until at least one year after date of the exercise of the stock option and at least two years after the date the stock option was granted, gain or loss realized on sale of the shares will be treated as long-term capital gain or loss. If the common shares are disposed of before those periods expire, which is called a disqualifying disposition, the stock option holder will be required to recognize ordinary income in an amount equal to the lesser of (i) the excess, if any, of the fair market value of our common shares on the date of exercise over the exercise price, or (ii) if the disposition is a taxable sale or exchange, the amount of gain realized. Upon a disqualifying disposition, we will generally be entitled, in the same tax year, to a deduction equal to the amount of ordinary income recognized by the stock option holder, assuming that a deduction is allowed under Section 162(m) of the Code.

Non-Statutory Stock Options. The grant of a stock option that does not qualify for treatment as an incentive stock option, which is generally referred to as a non-statutory stock option, is generally not a taxable event for the stock option holder. Upon exercise of the stock option, the stock option holder will generally be required to recognize ordinary income in an amount equal to the excess of the fair market value of our common shares acquired upon exercise (determined as of the date of exercise) over the exercise price of the stock option, and we will be entitled to a deduction in an equal amount in the same tax year, assuming that a deduction is allowed under Section 162(m) of the Code. At the time of a subsequent sale or

disposition of shares obtained upon exercise of a non-statutory stock option, any gain or loss will be either a long-term or short-term capital gain or loss, depending on how long the shares have been held.

SARs. The grant of an SAR will not cause the participant to recognize ordinary income or entitle us to a deduction for federal income tax purposes. Upon the exercise of an SAR, the participant will recognize ordinary income in the amount of the cash or the value of common shares payable to the participant (before reduction for any withholding taxes), and we will receive a corresponding deduction in an amount equal to the ordinary income recognized by the participant, assuming that a deduction is allowed under Section 162(m) of the Code.

Restricted Stock, RSUs, DSUs and Other Stock-Based Awards. The federal income tax consequences with respect to restricted stock, RSUs, DSUs, performance shares and performance stock units, and other stock unit and stock-based awards depend on the facts and circumstances of each award, including, in particular, the nature of any restrictions imposed with respect to the awards. In general, if an award of stock granted to the participant is subject to a “substantial risk of forfeiture” (e.g., the award is conditioned upon the future performance of substantial services by the participant) and is nontransferable, a taxable event occurs when the risk of forfeiture ceases or the awards become transferable, whichever first occurs. At such time, the participant will recognize ordinary income to the extent of the excess of the fair market value of the stock on such date over the participant’s cost for such stock (if any), and the same amount is deductible by us, assuming that a deduction is allowed under Section 162(m) of the Code. Under certain circumstances, the participant, by making an election under Section 83(b) of the Code, can accelerate federal income tax recognition with respect to an award of stock that is subject to a substantial risk of forfeiture and transferability restrictions, in which event the ordinary income amount and our deduction, assuming that a deduction is allowed under Section 162(m) of the Code, will be measured and timed as of the grant date of the award. If the stock award granted to the participant is not subject to a substantial risk of forfeiture or transferability restrictions, the participant will recognize ordinary income with respect to the award to the extent of the excess of the fair market value of the stock at the time of grant over the participant’s cost, if any, and the same amount is deductible by us, assuming that a deduction is allowed under Section 162(m) of the Code. If a stock unit award or other stock-based award is granted but no stock is actually issued to the participant at the time the award is granted, the participant will recognize ordinary income at the time the participant receives the stock free of any substantial risk of forfeiture (or receives cash in lieu of such stock) and the amount of such income will be equal to the fair market value of the stock at such time over the participant’s cost, if any, and the same amount is then deductible by us, assuming that a deduction is allowed under Section 162(m) of the Code.

Withholding Obligations. We are entitled to withhold and deduct from future wages of the participant, to make other arrangements for the collection of, or to require the recipient to pay to us, an amount necessary for us to satisfy the recipient’s federal, state or local tax withholding obligations with respect to awards granted under the Amended 2018 Plan. Withholding for taxes may be calculated based on the maximum applicable tax rate for the participant’s jurisdiction or such other rate that will not trigger a negative accounting impact on Xtant. The Board of Directors may permit a participant to satisfy a tax obligation by withholding shares of common shares underlying an award, tendering previously acquired shares, delivery of a broker exercise notice, or a combination of these methods.

Code Section 409A. A grant may be subject to a 20% penalty tax, in addition to ordinary income tax, at the time the grant becomes vested, plus an interest penalty tax, if the grant constitutes deferred compensation under Section 409A of the Code and the requirements of Section 409A of the Code are not satisfied.

Code Section 162(m). Pursuant to Section 162(m) of the Code, the annual compensation paid to an individual who is a “covered employee” may not be deductible to the extent that it exceeds \$1 million. The Tax Cut and Jobs Act, signed into law on December 22, 2017, amended Code Section 162(m), effective for tax years beginning after December 31, 2017, (i) to expand the definition of a “covered employee” to include any person who was the Chief Executive Officer or the Chief Financial Officer at any time during the year and the three most highly compensated officers (other than the Chief Executive Officer or the Chief Financial Officer) who were employed at any time during the year whether or not the compensation is reported in the Summary Compensation Table included in our proxy statement for our Annual Meeting of Stockholders; (ii) to treat any individual who is considered a covered employee at any time during a tax year beginning after December 31, 2017, as remaining a covered employee permanently; and (iii) to eliminate the performance-based compensation exception to the \$1 million deduction limit (with a transition provision continuing the performance-based exception for certain compensation covered by a written binding contract in existence on November 2, 2017).

Excise Tax on Parachute Payments. Unless otherwise provided in a separate agreement between a participant and Xtant, if, with respect to a participant, the acceleration of the vesting of an award or the payment of cash in exchange for all or part of

an award, together with any other payments that such participant has the right to receive from Xtant, would constitute a “parachute payment,” then the payments to such participant will be reduced to the largest amount as will result in no portion of such payments being subject to the excise tax imposed by Section 4999 of the Code. Such reduction, however, will only be made if the aggregate amount of the payments after such reduction exceeds the difference between the amount of such payments absent such reduction minus the aggregate amount of the excise tax imposed under Section 4999 of the Code attributable to any such excess parachute payments. If such provisions are applicable and if an employee will be subject to a 20% excise tax on any “excess parachute payment” pursuant to Section 4999 of the Code, we will be denied a deduction with respect to such excess parachute payment pursuant to Section 280G of the Code.

Securities Authorized for Issuance under Equity Compensation Plans

The table below provides information about our common stock that may be issued under our equity compensation plans as of December 31, 2021.

Plan Category	Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	6,171,771	\$ 1.80	1,246,080
Equity compensation plans not approved by security holders	—	—	—
Total	6,171,771	\$ 1.80	1,246,080

- (1) Amount includes 3,188,355 shares of our common stock issuable upon the exercise of stock options granted under the 2018 Plan, 13,311 shares of our common stock issuable upon the exercise of stock options granted under the Amended and Restated Xtant Medical Equity Incentive Plan and 3,970,105 shares of our common stock issuable upon the vesting of RSU awards granted under the 2018 Plan.
- (2) Not included in the weighted-average exercise price calculation are 3,970,105 RSU awards.
- (3) Amount includes 1,246,080 shares of our common stock remaining available for future issuance under the 2018 Plan. No shares remain available for grant under the Amended and Restated Xtant Medical Equity Incentive Plan since such plan has been terminated with respect to future grants.

New Plan Benefits

It is not presently possible to determine the benefits or amounts that will be received by or allocated to participants under the Amended 2018 Plan or would have been received by or allocated to participants for the last completed fiscal year if the Amended 2018 Plan had then been in effect because awards under the Amended 2018 Plan will be made at the discretion of the Committee. However, under our current non-employee director compensation program, each person serving as a non-employee director receives an annual RSU award valued at \$165,000, and it is anticipated that Stavros Vizirgianakis, who received an RSU award covering 70,776 shares of our common stock in connection with his appointment as a director, will receive the remainder of his annual RSU award covering 144,639 shares of our common stock following stockholder approval of the Amended 2018 Plan.

Awards Previously Granted Under 2018 Plan

As of September 15, 2022, we had granted stock options and RSUs under the 2018 Plan as follows:

Name and Position	Number of Shares Underlying Stock Options	Number of Shares Underlying RSUs
Sean E. Browne, President and Chief Executive Officer.....	1,797,903	1,299,070
Scott C. Neils, Chief Financial Officer.....	225,826	399,472
Greg Jensen, Former Vice President, Finance and Chief Financial Officer.....	0	0
Kevin D. Brandt, Chief Commercial Officer.....	390,758	588,046
Executive Group.....	2,414,487	2,286,588
Non-Employee Director Group.....	0	1,147,851
All Other Employee Group.....	440,373	263,711
Total.....	2,854,860	3,698,150

Board Recommendation

The Board unanimously recommends that our stockholders vote “**FOR**” approval of the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan.

The Board of Directors Recommends a Vote FOR Approval of the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan



EXECUTIVE COMPENSATION

Summary Compensation Table

The table below provides summary information concerning all compensation awarded to, earned by, or paid to the individuals that served as a principal executive officer of the Company during the year ended December 31, 2021 and the two most highly compensated executives for the year ended December 31, 2021.

Name and Principal Position	Year	Salary ⁽¹⁾	Bonus ⁽²⁾	Stock Awards ⁽³⁾	Option Awards ⁽⁴⁾	Non-Equity Incentive Plan Compensation ⁽⁵⁾	All Other Compensation ⁽⁶⁾	Total
<i>Sean E. Browne</i> <i>President and Chief Executive Officer</i>	2021	\$590,228	\$ —	\$ —	\$ —	\$ 201,900	\$ 39,362	\$ 831,490
	2020	603,692	—	1,850,762	1,508,484	510,000	76,116	4,549,054
<i>Greg Jensen</i> ⁽⁷⁾ <i>Former Vice President, Finance and Chief Financial Officer</i>	2021	393,846	—	198,438	206,543	100,200	55,883	954,910
	2020	402,462	—	107,557	108,469	170,000	72,616	861,104
<i>Kevin D. Brandt</i> <i>Chief Commercial Officer</i>	2021	408,615	—	205,878	214,288	85,243	9,992	924,016
	2020	417,554	—	107,557	108,469	176,375	11,400	821,355

- (1) All salaries for 2020 reflect a 20% temporary reduction during second quarter of 2020 as part of our cost-savings measures in response to the COVID-19 pandemic. Additional detail on these measures and their impact on executive compensation is below under “Impact of COVID-19 Pandemic.”
- (2) We generally do not pay any discretionary bonuses or bonuses that are subjectively determined and did not pay any such bonuses to any named executive officers in 2021. Annual cash incentive bonus payouts based on performance against pre-established performance goals are reported in the “Non-equity incentive plan compensation” column.
- (3) Amounts reported represent the aggregate grant date fair value for RSU awards computed in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718. The grant date fair value is determined based on the per share closing sale price of our common stock on the grant date for 2021 and 2020.
- (4) Amounts reported represent the aggregate grant date fair value for option awards granted to each named executive officer computed in accordance with FASB ASC Topic 718. The grant date fair value is determined based on our Black-Scholes option pricing model. The table below sets forth the specific assumptions used in the valuation of each such option award:

Grant Date	Grant Date Fair Value Per Share	Risk Free Interest Rate	Expected Life	Expected Volatility	Expected Dividend Yield
08/15/2021	\$ 1.27	0.97%	6.25 years	112.66%	—
11/15/2020	1.03	0.56%	6.25 years	105.28%	—
08/15/2020	0.90	0.43%	6.25 years	101.99%	—

- (5) Amounts reported represent payouts under our annual bonus plan and for each year reflect the amounts earned for that year but paid during the following year.
- (6) The table below provides information concerning amounts reported in the “All Other Compensation” column of the Summary Compensation Table for 2021 with respect to each named executive officer. Additional detail on these amounts is provided in the table below.

Name	401(k) Match	Commuting Expenses	Total
Sean E. Browne	\$ 11,600	\$ 27,762	\$ 39,362
Greg Jensen	11,600	44,283	55,883
Kevin D. Brandt	9,992	—	9,992

- (7) Mr. Jensen’s status as Vice President, Finance and Chief Financial Officer terminated effective January 3, 2022. From August 2019 to January 2022, Mr. Jensen served as our Vice President, Finance and Chief Financial Officer. From February 2019 to August 2019, Mr. Jensen served as our Vice President, Finance and Interim Chief Financial Officer, and from March 18, 2019 until the appointment of Mr. Browne as President and Chief Executive Officer on October 7, 2019, Mr. Jensen served in the capacity as our principal executive officer.

Employment and Other Agreements with Executive Officers

Employment Agreements

Effective October 7, 2019, we entered into an employment agreement with Sean E. Browne, our President and Chief Executive Officer, which provides for an annual base salary \$600,000 and a target annual bonus opportunity equal to 100% of his annual base salary. We agreed to reimburse his reasonable travel and business expenses. In addition, we agreed to grant him an option to purchase 329,044 shares of our common stock and an RSU unit award covering 329,044 shares of our common stock under the 2018 Plan, effective as of October 15, 2019, consistent with our equity grant policy. The total number of shares subject to these equity awards represented 5% of our then outstanding common stock. We also agreed to grant Mr. Browne additional stock options and RSU awards, in the same proportionate split, in the event OrbiMed (including its affiliates) converts any of our outstanding indebtedness into equity of the Company within five years. Accordingly, in response to the completion of our October 2020 debt restructuring, on November 15, 2020, we granted Mr. Browne an additional option to purchase 1,468,859 shares of our common stock and an RSU award covering 1,468,859 shares of our common stock. The terms of these awards are described under “*Outstanding Equity Awards at Fiscal Year-End.*” Our agreement with Mr. Browne also contains standard confidentiality, non-competition, non-solicitation and assignment of intellectual property provisions, as well as standard severance and change in control provisions, which are described under “*—Potential Payments upon Termination or Change in Control.*”

We were a party to an employment agreement with Mr. Jensen, our former Vice President, Finance and Chief Financial Officer. This agreement provided for an annual base salary \$400,000 and a target annual bonus opportunity equal to 50% of his annual base salary. This agreement also contained standard confidentiality, non-competition, non-solicitation and assignment of intellectual property provisions, as well as standard severance and change in control benefits, which are described under “*—Potential Payments upon Termination or Change in Control.*” In connection with Mr. Jensen’s departure on January 3, 2022, the Company and Mr. Jensen entered into a standard and customary resignation agreement and release pursuant to which the Company agreed to provide Mr. Jensen certain severance benefits, as provided in his employment agreement effective as of August 8, 2019 with the Company, conditioned upon his execution and non-revocation of a release of claims against the Company.

Effective June 1, 2022, we entered into an employment agreement with Scott C. Neils, our Chief Financial Officer, which provides for an annual base salary \$400,000 and a target annual bonus opportunity equal to 50% of his annual base salary. For 2022, Mr. Neils’s bonus will be based on his earned salary for 2022 in light of his promotion to Interim Chief Financial Officer in January 2022 and his promotion to Chief Financial Officer on a non-interim basis effective June 1, 2022. Our agreement with Mr. Neils also contains standard confidentiality, non-competition, non-solicitation and assignment of intellectual property provisions, as well as standard severance and change in control provisions, which are described under “*—Potential Payments upon Termination or Change in Control.*”

Effective July 9, 2018, we entered into an employment agreement with Kevin D. Brandt, our Chief Commercial Officer, which provided for an initial annual base salary of \$400,000 (which was subsequently increased to \$415,000 in April 2019) with a target annual bonus of 50% of his annual base salary, and a \$90,000 signing bonus, which was required to be paid back if Mr. Brandt terminated his employment with Xtant prior to the one-year anniversary of his hire date. In addition, the agreement provided for the grant of an RSU award covering 40,000 shares of our common stock, which will vest in full on July 9, 2021, the three-year anniversary date of Mr. Brandt’s hire date, assuming continued employment. The agreement also provides that Mr. Brandt is eligible to receive an annual equity award, subject to the approval of the Board, provided that the grant value of such equity award shall not be less than 50% of his annual base salary. Accordingly, on August 15, 2020, Mr. Brandt was granted an option to purchase 119,942 shares of our common stock and an RSU award covering 95,183 shares of our common stock, which are described under “*Outstanding Equity Awards at Fiscal Year-End.*” This agreement contains standard confidentiality, non-competition, non-solicitation, and assignment of intellectual property provisions, as well as standard severance and change in control provisions, which are described under “*—Potential Payments upon Termination or Change in Control.*”

Indemnification Agreements

We have entered into indemnification agreements with our executive officers that require us to indemnify them against certain liabilities that may arise by reason of their status or service as directors or executive officers to the fullest extent not prohibited by Delaware law.

Impact of the COVID-19 Pandemic

In response to the COVID-19 pandemic, during the second quarter of 2020, we implemented a series of cost-savings actions intended to preserve capital to support our operations, many of which impacted our executive compensation. These temporary cost-saving actions included:

- termination or furlough of 42% of our workforce;
- suspension in hiring most open positions;
- elimination of planned merit increases;
- institution of a temporary 20% base salary or wage reduction for all executive officers and employees;
- 20% reduction in non-employee director retainers for second quarter of 2020;
- suspension of future 401(k) plan matching contributions by the Company; and
- reduction in sales and marketing expenses and other discretionary spending

Effective July 1, 2020, we reinstated the full base salaries and wages of all our employees and restored future 401(k) plan matching contributions.

Annual Bonus Plan

Each year, the Board, upon recommendation of the Compensation Committee, approves corporate and individual performance objectives under the Company's annual bonus plan. The corporate performance objectives are often financial related based on revenues, gross margins, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") and other metrics, and the individual goals are typically related to the achievement of certain goals or milestones within an executive's scope of duties or responsibilities. The corporate performance objectives for 2021 were revenue, biologics revenue, adjusted EBITDA and gross margin.

Xtant Medical Holdings, Inc. Amended and Restated 2018 Equity Incentive Plan

All stock awards and option awards granted to our executives are granted under the Xtant Medical Holdings, Inc. Amended and Restated 2018 Equity Incentive Plan. For more information on the 2018 Plan, see "*Proposal Four— Approval of the Xtant Medical Holdings, Inc. Second Amended and Restated 2018 Equity Incentive Plan.*"

401(k) Retirement Plan

We have a 401(k) plan for our employees. The 401(k) plan is a defined contribution plan covering substantially all of our employees. Employees are eligible to participate in the plan on the first day of any month after starting employment. Employees are allowed to contribute a percentage of their wages to the 401(k) plan, subject to statutorily prescribed limits and are subject to a discretionary employer match of 100% of their wage deferrals not in excess of 4% of their wages.

Outstanding Equity Awards at Fiscal Year-End

The table below provides information regarding unexercised option awards and unvested stock awards held by each of our named executive officers that remained outstanding at our fiscal year-end, December 31, 2021. All of the outstanding equity awards described below were granted under the 2018 Plan.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date ⁽¹⁾	Number of Shares or Units of Stock that Have Not Vested	Market Value of Shares or Units of Stock that Have Not Vested ⁽²⁾
Sean E. Browne	131,618	197,426 ⁽³⁾	\$ 2.70	10/15/2029	197,426 ⁽⁴⁾	\$ 110,559
	367,215	1,101,644 ⁽⁵⁾	1.26	11/15/2030	1,101,644 ⁽⁶⁾	616,921
Greg Jensen	19,530	19,533 ⁽⁷⁾	2.76	08/15/2029	16,950 ⁽⁸⁾	9,492
	29,985	89,957 ⁽⁹⁾	1.13	08/15/2030	71,387 ⁽¹⁰⁾	39,977
Kevin D. Brandt	—	192,308 ⁽¹¹⁾	1.27	08/15/2031	156,250 ⁽¹²⁾	87,500
	23,077	7,693 ⁽¹³⁾	6.20	08/15/2028	—	—
	20,263	20,264 ⁽⁷⁾	2.76	08/15/2029	17,585 ⁽⁸⁾	9,848
	29,985	89,957 ⁽⁹⁾	1.13	08/15/2030	71,387 ⁽¹⁰⁾	39,977
	—	199,519 ⁽¹¹⁾	1.27	08/15/2031	162,109 ⁽¹²⁾	90,781

- (1) All options awards have a 10-year term, but may terminate earlier if the recipient's employment or service relationship with the Company terminates. All of Mr. Jensen's options that were unvested as of his termination date were cancelled and his options that were vested as of his termination date will expire on April 4, 2022.
- (2) Based on the closing price of our common stock on December 31, 2021 (\$0.56), as reported by the NYSE American.
- (3) This stock option vests in nearly equal installments annually over a five-year period beginning on October 15, 2020. In addition, this option will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if Mr. Browne dies.
- (4) This RSU award vests in nearly equal installments annually over a five-year period beginning on October 15, 2020. In addition, this RSU award will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if Mr. Browne dies.
- (5) This stock option vests in nearly equal installments annually over a four-year period beginning on October 15, 2021. In addition, this option will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if Mr. Browne dies.
- (6) This RSU award vests in nearly equal installments annually over a four-year period beginning on October 15, 2021. In addition, this RSU award will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if Mr. Browne dies.
- (7) This stock option vests in nearly equal installments annually over a four-year period beginning on August 15, 2020. In addition, this option will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if the executive dies.
- (8) This RSU award vests in nearly equal installments annually over a four-year period beginning on August 15, 2020. In addition, this RSU award will vest in full immediately in the event that it is discontinued upon a change in control or up to 12 months following a change in control and a pro rata percentage will vest immediately if the executive dies.
- (9) This stock option vests with respect to 25% of the shares on August 15, 2021 and with respect to the remaining 75% of such shares over the three-year period thereafter in 12 as nearly equal as possible quarterly installments. In addition, this option will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if the executive dies.

- (10) This RSU award vests in nearly equal installments annually over a four-year period beginning on August 15, 2021. In addition, this RSU award will vest in full immediately in the event that it is discontinued upon a change in control or up to 12 months following a change in control and a pro rata percentage will vest immediately if the executive dies.
- (11) This stock option vests with respect to 25% of the shares on August 15, 2022 and with respect to the remaining 75% of such shares over the three-year period thereafter in 12 as nearly equal as possible quarterly installments. In addition, this option will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if the executive dies.
- (12) This RSU award vests in nearly equal installments annually over a four-year period beginning on August 15, 2022. In addition, this RSU award will vest in full immediately in the event that it is discontinued upon a change in control or up to 12 months following a change in control and a pro rata percentage will vest immediately if the executive dies.
- (13) This stock option vests in equal installments annually over a four-year period beginning on August 15, 2019. In addition, this option will vest in full immediately in the event that it is discontinued upon a change in control or up to one year following a change in control and a pro rata percentage will vest immediately if Mr. Brandt dies.

Potential Payments upon Termination or Change in Control

Executive Employment Agreements

Under the terms of the employment agreements we have entered into with our named executive officers, if the executive's employment is terminated by the Company without "cause" (as defined in the agreement), the executive will be entitled to receive a severance payment equal to 12 months of his annual base salary, payable as salary continuation, reimbursement of COBRA payments for up to 12 months, and the prorated amount of any unpaid bonus for the calendar year in which his termination of employment occurs, if earned pursuant to the terms thereof. If the executive's employment is terminated by the Company without "cause" or by the executive for "good reason" in connection with or within 12 months after a "change in control" (as such terms are defined in the agreement), the executive's severance payment, as previously described, will be paid in one lump sum, and in the case of Mr. Brandt, will equal two times his base salary. To be eligible to receive these payments, the executive will be required to execute and not revoke a release of claims against the Company.

In connection with Mr. Jensen's departure on January 3, 2022, the Company and Mr. Jensen entered into a standard and customary resignation agreement and release pursuant to which the Company agreed to provide Mr. Jensen certain severance benefits, as provided in his employment agreement effective as of August 8, 2019 with the Company conditioned upon his execution and non-revocation of a release of claims against the Company.

Equity Award Agreements

All equity awards held by our named executive officers have been granted under 2018 Plan. Under the terms of the 2018 Plan and the award agreements governing these awards, if an executive's employment or other service with the Company is terminated for cause, then all outstanding awards held by such executive will be terminated and forfeited. In the event an executive's employment or other service with the Company is terminated by reason of death, then:

- All outstanding stock options will vest and become exercisable immediately as to a pro rata percentage of the unvested portion of the option scheduled to vest on the next applicable vesting date, and the vested portion of the options will remain exercisable for a period of one year after the date of such termination (but in no event after the expiration date).
- The outstanding unvested RSU awards will vest and become immediately issuable as to a pro rata percentage of the unvested portion of the RSU awards scheduled to vest on the next applicable vesting date and the unvested portion of the RSU awards will terminate.

In the event an executive's employment or other service with the Company is terminated by reason of disability, then:

- All outstanding stock options will remain exercisable to the extent exercisable on the termination date for a period of one year after the date of such termination (but in no event after the expiration date).
- All outstanding unvested RSU awards will terminate.

In the event an executive's employment or other service with the Company is terminated for any other reason, then:

- All outstanding stock options will remain exercisable to the extent exercisable on the termination date for a period of 90 days after the date of such termination (but in no event after the expiration date).
- All outstanding unvested RSU awards will terminate.

In addition, the equity award agreements governing the equity awards held by our named executive officers contain "change in control" provisions. Under the award agreements, without limiting the authority of the Compensation Committee to adjust awards, if a "change in control" of the Company (as defined in the 2018 Plan) occurs, then, unless otherwise provided in the award or other agreement, if an award is continued, assumed, or substituted by the successor entity, the award will not vest or lapse solely as a result of the change in control but will instead remain outstanding under the terms pursuant to which it has been continued, assumed, or substituted and will continue to vest or lapse pursuant to such terms. If the award is continued, assumed, or substituted by the successor entity and within one year following the change in control, the executive is either terminated by the successor entity without "cause" or, if the executive resigns for "good reason," each as defined in the award agreement, then the outstanding option will vest and become immediately exercisable as of the termination or resignation and will remain exercisable until the earlier of the expiration of its full specified term or the first anniversary of the date of such termination or resignation, and the outstanding RSU award will be fully vested and will be converted into shares of our common stock immediately thereafter. If an award is not continued, assumed, or substituted by the successor entity, then the outstanding option will be fully vested and exercisable, and the Compensation Committee will either give the executive a reasonable opportunity to exercise the option prior to the change in control transaction or will pay the difference between the exercise price of the option and the per share consideration paid to similarly situated stockholders. Under these conditions, the outstanding RSU award will be fully vested and will be converted into shares of our common stock immediately thereafter.

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS, AND CERTAIN CONTROL PERSONS

Policies and Procedures for Review and Approval of Related Party Transactions

Pursuant to its charter, the Audit Committee reviews and approves all related party transactions and makes recommendations to the full Board regarding approval of such transactions, unless the Board specifically delegates this responsibility to the Compensation Committee. The Audit Committee reviewed the transactions described below and determined that they were fair, just, and reasonable to the Company and in the best interests of the Company and its stockholders.

In addition, because of its significance, the debt restructuring described below was also approved by a Special Restructuring Committee composed solely of the two Audit Committee members and prior to approving the transaction the Special Restructuring Committee received a written opinion dated August 7, 2020 from its advisor, Duff & Phelps, LLC, that, as of the date of such opinion, the exchange price of the debt restructuring was fair, from a financial point of view, to the stockholders of the Company unaffiliated with Royalty Opportunities and ROS, without giving effect to any impact of the proposed transaction on any particular stockholder other than in its capacity as a stockholder.

Related Party Transactions

Below is a description of transactions that have occurred during the past two fiscal years, or any currently proposed transactions, to which we were or are a participant and in which:

- the amounts involved exceeded or will exceed the lesser of: \$120,000 or one percent (1%) of the average of our total assets at year end for the last two completed fiscal years; and
- a related person (including any director, director nominee, executive officer, holder of more than 5% of our common shares or any member of their immediate family) had or will have a direct or indirect material interest.

Investor Rights Agreement

We are party to an Investor Rights Agreement with Royalty Opportunities and ROS pursuant to which Royalty Opportunities and ROS are permitted to nominate a majority of the directors and designate the chairperson of our Board of Directors at subsequent annual meetings, as long as they maintain an ownership threshold in our Company of at least 40% of our then outstanding common stock. If Royalty Opportunities and ROS are unable to maintain the Ownership Threshold, as defined in the Investor Rights Agreement, the Investor Rights Agreement contemplates a reduction of nomination rights commensurate with our ownership interests. For so long as the Ownership Threshold is met, we must obtain the approval of a majority of our common stock held by Royalty Opportunities and ROS to proceed with the following actions: (i) issue new securities; (ii) incur over \$250,000 of debt in a fiscal year; (iii) sell or transfer over \$250,000 of our assets or businesses or our subsidiaries in a fiscal year; (iv) acquire over \$250,000 of assets or properties in a fiscal year; (v) make capital expenditures over \$125,000 individually, or \$1,500,000 in the aggregate during a fiscal year; (vi) approve our annual budget; (vii) hire or terminate our chief executive officer; (viii) appoint or remove the chairperson of our Board of Directors; and (ix) make loans to, investments in, or purchase, or permit any subsidiary to purchase, any stock or other securities in another entity in excess of \$250,000 in a fiscal year. As long as the Ownership Threshold is met, we may not increase the size of our Board or Directors beyond seven directors without the approval of a majority of the directors nominated by Royalty Opportunities and ROS.

The Investor Rights Agreement grants Royalty Opportunities and ROS the right to purchase from us a pro rata amount of any new securities that we may propose to issue and sell. The Investor Rights Agreement may be terminated (a) upon the mutual written agreement of all the parties, (b) upon our written notice or the written notice of ROS or Royalty Opportunities if the ownership percentage of our then outstanding common stock of ROS and Royalty Opportunities is less than 10%, or (c) upon written notice of ROS and Royalty Opportunities.

Debt Restructuring

On August 7, 2020, we entered into a Restructuring and Exchange Agreement (the “Restructuring Agreement”) with Royalty Opportunities and ROS, pursuant to which the parties thereto agreed, subject to the terms and conditions set forth therein, to take certain actions as set forth therein and as described below (collectively, the “Restructuring Transactions”) in furtherance of a restructuring of our outstanding indebtedness under that certain Second A&R Credit Agreement, as defined below under “—*Second Amended and Restated Credit Agreement and Warrant Issuance*”. The primary purpose of the Restructuring Transactions was to improve our capital structure by reducing the amount of our indebtedness and cost to service our debt, which should make it easier for us to refinance or replace this debt in the future, as well as facilitate easier access to capital markets for investment in our growth initiatives. The Restructuring Transactions also allowed us to regain compliance with the NYSE American continued listing standards, which we achieved on October 5, 2020. The Restructuring Transactions included, among others:

- an amendment to the Company’s Amended and Restated Certificate of Incorporation, as amended (the “Charter”), to increase the number of authorized shares of our common stock from 75 million to 300 million (the “Charter Amendment”);
- the exchange by the Company of shares of our common stock for approximately \$40.8 million of the aggregate outstanding principal amount of loans outstanding held by Royalty Opportunities and ROS under the Second A&R Credit Agreement, as well as, without duplication, approximately \$21.1 million of the outstanding amount of PIK Interest (as defined in the Second A&R Credit Agreement) (such loans and PIK Interest, the “Exchanging Loans”), plus all other accrued and unpaid interest on the Exchanging Loans outstanding as of the closing date, at an exchange price of \$1.07 per share, representing the average closing price of our common stock over the 10 trading days immediately prior to the parties entering into the Restructuring Agreement, and resulting in the issuance of approximately 57.8 million shares of our common stock (the “Share Issuance”);
- the execution of an amendment to the Second A&R Credit Agreement by the parties thereto to change certain provisions therein, including extinguishing loans in an aggregate principal amount equal to the Exchanging Loans outstanding thereunder together with all accrued and unpaid interest thereon, paying a portion of the prepayment fee payable thereunder in respect of the Exchanging Loans with proceeds of additional loans under the Second A&R Credit Agreement, with the remaining portion of the prepayment fee exchanged for an additional 0.9 million shares of our common stock, reducing the amount of credit availability thereunder, decreasing the interest rate and eliminating certain financial covenants; and
- the launch by the Company of a rights offering to allow stockholders of the Company to purchase up to an aggregate of \$15 million of our common stock at the same price per share as the \$1.07 per share exchange price used to exchange the Exchanging Loans into our common stock as part of the Share Issuance (“Rights Offering”).

Immediately after the execution of the Restructuring Agreement by the parties thereto, we solicited and obtained the written consent of Royalty Opportunities and ROS, the holders of an aggregate of 9,248,678 shares of our common stock as of August 7, 2020 (the “Consenting Majority Stockholders”), representing a majority of the outstanding shares of our common stock as of such date, for the approval of the Charter Amendment and the Share Issuance, in accordance with applicable provisions of the Delaware General Corporation Law and the Company’s Second Amended and Restated Bylaws. The written consent of the Consenting Majority Stockholders was sufficient to approve the Charter Amendment and the Share Issuance. Therefore, no proxies or additional consents were solicited by us in connection with the Charter Amendment and the Share Issuance. Pursuant to Section 14(c) of the Exchange Act, and the rules and regulations promulgated thereunder, on September 10, 2020, we sent a definitive information statement to all holders of our common stock as of August 7, 2020 for the purpose of informing such stockholders of the written actions taken by the Consenting Majority Stockholders. In accordance with Exchange Act Rule 14c-2, the stockholder consent of the Consenting Majority Stockholders could not become effective until at least 20 calendar days following the mailing of the information statement.

On October 1, 2020, the closing of the Restructuring Transactions, other than the Rights Offering, occurred, and in connection therewith, the following actions took place:

- the Charter Amendment was filed with the Office of the Secretary of State of the State of Delaware;
- the Share Issuance occurred;
- an amendment to the Second A&R Credit Agreement was executed by the parties thereto, and in connection therewith, the Company issued an additional 0.9 million shares of our common stock in exchange for a portion

- of the prepayment fee payable under the Second A&R Credit Agreement in respect of the Exchanging Loans; and
- the Registration Rights Agreement, as described in more detail below, was executed by the parties thereto.

Pursuant to the terms of the Restructuring Agreement, we commenced the Rights Offering to allow our stockholders as of the November 5, 2020 record date to purchase up to an aggregate of 14,018,690 shares of our common stock at a subscription price of \$1.07 per share, the same price per share as the \$1.07 per share exchange price used in the Share Issuance. The Rights Offering expired on December 4, 2020. We issued 712,646 shares of common stock in the Rights Offering and received \$762,531 in gross proceeds.

As a result of the completion of these Restructuring Transactions, Royalty Opportunities and ROS owned immediately thereafter, in the aggregate, approximately 93.9% of our outstanding common stock.

2020 Registration Rights Agreement

Effective October 1, 2020, we entered into a Registration Rights Agreement with Royalty Opportunities and ROS, which required us, among other things, to file with the SEC a shelf registration statement covering the resale, from time to time, of our common stock that was issued pursuant to the Share Issuance no later than December 30, 2020 and use our best efforts to cause the shelf registration statement to become effective under the Securities Act no later than March 30, 2021. This registration statement was filed on December 18, 2020 and was declared effective by the SEC on December 23, 2020.

Second Amended and Restated Credit Agreement and Warrant Issuance

On March 29, 2019, the Company and our subsidiaries, Bacterin International, Inc., Xtant Medical, Inc. and X-spine Systems, Inc., entered into a Second Amended and Restated Credit Agreement with Royalty Opportunities and ROS (the “Second A&R Credit Agreement”). On April 1, 2019, we issued warrants to purchase an aggregate of 1.2 million shares of our common stock to Royalty Opportunities and ROS with an exercise price of \$0.01 per share and an expiration date of April 1, 2029. The issuance of these warrants occurred on April 1, 2019 and was a condition to the effectiveness of the Second A&R Credit Agreement. These warrants were exercised in full in November 2020. The Second A&R Credit Agreement, as subsequently amended, has been terminated, as described below.

First Amendment to Second A&R Credit Agreement and Warrant Issuance

On May 6, 2020, the Company and our subsidiaries, Bacterin International, Inc., Xtant Medical, Inc. and X-spine Systems, Inc., entered into a First Amendment to the Second Amended and Restated Credit Agreement with Royalty Opportunities and ROS, which among other things, provided that:

- No interest would accrue on outstanding loans thereunder from and after March 31, 2020 until September 30, 2020;
- Beginning October 1, 2020 through the maturity date, interest payable in cash would accrue on the loans thereunder at a rate per annum equal to the sum of (i) 10.00% plus (ii) the higher of (x) the LIBO Rate (as such term is defined in the Second A&R Credit Agreement) and (y) 2.3125%;
- The maturity date of the loans thereunder was extended to December 31, 2021;
- The Revenue Base (as such term is defined in the Second A&R Credit Agreement) financial covenant was revised through December 31, 2021; and
- The key person event default provision was revised to refer specifically to Sean Browne in lieu of a former executive.

In conjunction therewith, we issued warrants to purchase an aggregate of 2.4 million shares of our common stock to Royalty Opportunities and ROS, with an exercise price of \$0.01 per share and an expiration date of May 6, 2030. The issuance of these warrants was a condition to the effectiveness of this amendment. These warrants were exercised in full in November 2020.

Second Amendment to Second A&R Credit Agreement

On October 1, 2020, pursuant to the Restructuring Transactions discussed above, the Company and our subsidiaries, Bacterin International, Inc., Xtant Medical, Inc. and X-spine Systems, Inc., entered into a Second Amendment to the Second A&R Credit Agreement with Royalty Opportunities and ROS, which among other things, provided for:

- Extinguishment by Royalty Opportunities and ROS of approximately \$61.9 million of principal and paid-in-kind interest outstanding on the loans under the Second A&R Credit Agreement in exchange for approximately 57.8 million shares of our common stock and the addition of a principal amount equal to prepayment fees associated with the loans thereunder not paid in cash or exchanged for shares of our common stock;
- Exchange of approximately \$0.9 million of prepayment fees associated with the loans thereunder for approximately 0.9 million shares of our common stock;
- Elimination of the availability of additional draw loan advances and reduction of available additional term loans to \$5.0 million, the availability of which is in the sole and absolute discretion of the lender;
- accrual of interest payable in cash for the remaining term of the Second A&R Credit Agreement at a rate per annum equal to the sum of (i) 7.00% plus (ii) the higher of (x) the LIBO Rate (as such term is defined in the Second A&R Credit Agreement) and (y) 1.00%; and
- Elimination of the base revenue financial covenant.

After execution of the Second Amendment to the Second A&R Credit Agreement, Royalty Opportunities was the sole holder of our outstanding long-term debt and the sole lender under the Second A&R Credit Agreement, as amended.

On May 6, 2021, contemporaneously with the execution and delivery of the new Credit Agreements, the Second A&R Credit Agreement, as amended, was terminated in accordance with the terms thereof and all outstanding amounts were repaid by the borrowers to Royalty Opportunities in its role as sole lender thereunder.

During the year ended December 31, 2021, the largest amount of principal outstanding under this credit facility was \$15.6 million, and as of December 31, 2021, the amount of principal outstanding was \$0.00. The Company paid \$1.2 million in interest under the credit facility and \$15.6 million in principal amount during the year ended December 31, 2021.

During the year ended December 31, 2020, the largest amount of principal outstanding under this credit facility was \$55.8 million. Other than principal and interest paid in Xtant common stock as part of the debt restructuring transaction described above under “—*Debt Restructuring*,” the Company paid \$0.3 million in interest under the credit facility and no principal amount during the year ended December 31, 2020.

Warrant Exercises

On November 17, 2020, ROS and Royalty Opportunities exercised warrants representing an aggregate of 4.8 million shares of Xtant common stock and in connection therewith the Company received aggregate proceeds of \$48,000.

Termination of Second A&R Credit Agreement

On May 6, 2021, contemporaneously with the execution and delivery of the new Credit Agreements, the Second A&R Credit Agreement, as amended, was terminated in accordance with the terms thereof and all outstanding amounts were repaid by the borrowers to Royalty Opportunities in its role as sole lender thereunder.

2021 Lock-Up Agreements

On February 24, 2021, we entered into Lock-Up Agreements with each of our directors and executive officers, pursuant to the Securities Purchase Agreement, dated as of February 22, 2021, between us and the purchasers signatory thereto. Pursuant to the Lock-Up Agreements, our directors and executive officers, among other things, agreed not to offer, sell, contract to sell, hypothecate, pledge or otherwise dispose of (or enter into any transaction which is designated to, or might reasonably be

expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the undersigned or any affiliate or any person in privity), directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to any shares of our common stock, or securities convertible, exchangeable or exercisable into, our common stock beneficially owned, held or acquired by each of our executive officers or directors. The lock-up period has a 90-day duration and expired on May 25, 2021.

Sublease Agreement

We were party to a Sublease Agreement with Cardialen, Inc., under which we leased a portion of Cardialen's office space in Brooklyn Center, Minnesota. The Sublease Agreement was amended several times to change the amount of office space and monthly rent. Under the amended Sublease Agreement, we agreed to pay rent ranging from \$500 to \$1,350 per month for 2020, \$950 per month for 2021, \$975 per month for 2022 and \$1,000 per month thereafter through the expiration date of January 31, 2024. During fiscal 2021 and 2020, we paid a total of \$7,600 and \$11,215, respectively, to Cardialen under this lease agreement. This lease agreement has been terminated. Because Jeffrey Peters is both a member of our Board and the Chief Executive Officer, President, and a director of Cardialen, this transaction qualified as a related party transaction.

2022 Private Placement and Securities Purchase Agreement

On August 23, 2022, we entered into a securities purchase agreement (the "Securities Purchase Agreement") with several accredited investors, including Stavros Vizirgianakis and his brother, pursuant to which we agreed to issue an aggregate of 20,305,429 shares (the "Shares") of our common stock and warrants (the "Warrants") to purchase up to an aggregate of 5,076,358 shares of our common stock in a private placement (the "Private Placement"), at a per unit (each unit consisting of one Share and a Warrant to purchase 0.25 of a Share) purchase price of \$0.48, which represents a 2.5% discount to the 10-day volume-weighted average price of our common stock ending August 19, 2022. The closing of the Private Placement is structured to occur in two tranches in order to comply with the continued listing requirements of the NYSE American, which require stockholder approval of the sale, issuance, or potential issuance by listed companies of common stock (or securities convertible into common stock) at a price less than the greater of book or market value which equals 20% or more of outstanding common stock prior to the transaction.

On August 25, 2022, we closed the first tranche of the Private Placement (the "First Closing"). At the First Closing, for an aggregate purchase price of approximately \$6.75 million, we sold 14,060,315 Shares and Warrants to purchase up to an aggregate of 3,515,079 shares of our common stock, including 3,515,079 Shares and Warrants to purchase up to an aggregate of 878,770 shares of our common stock that were issued to Stavros Vizirgianakis in exchange for approximately \$1.7 million and 3,515,077 Shares and Warrants to purchase up to an aggregate of 878,769 shares of our common stock that were issued to the brother of Stavros Vizirgianakis in exchange for approximately \$1.7 million.

Immediately after the execution of the Securities Purchase Agreement by the parties thereto, we obtained the written consent of Royalty Opportunities and ROS, the holders of an aggregate of 73,114,592 shares of our common stock as of August 23, 2022, representing greater than a majority of the outstanding shares of our common stock as of such date, for the approval of the issuance of Shares and Warrants at the second closing of the Private Placement (the "Second Closing") pursuant to the continued listing requirements of the NYSE American and in accordance with applicable provisions of the Delaware General Corporation Law and our Second Amended and Restated Bylaws. The written consent of Royalty Opportunities and ROS was sufficient to approve the issuance of Shares and Warrants at the Second Closing. Therefore, no proxies or additional consents were solicited by us in connection with this issuance. Pursuant to Section 14(c) of the Exchange Act, and the rules and regulations promulgated thereunder, on September 9, 2022, we sent a definitive information statement to all holders of our common stock as of August 23, 2022 for the purpose of informing such stockholders of the written actions taken by Royalty Opportunities and ROS. In accordance with Exchange Act Rule 14c-2, the stockholder consent will become effective no sooner than 20 days following the mailing of the definitive information statement. After the expiration of the 20-day period required under Exchange Act Rule 14c-2 and the satisfaction or waiver of other customary closing conditions, the Second Closing will take place in accordance with the terms of the Securities Purchase Agreement.

The Second Closing is expected to occur on or about October 11, 2022. The investors agreed to purchase, for an aggregate purchase price of approximately \$3 million, 6,245,114 Shares and Warrants to purchase up to an aggregate of 1,561,279 shares of our common stock at the Second Closing, including 2,264,861 Shares and Warrants to purchase up to an aggregate of 566,214 shares of our common stock that will be issued to Stavros Vizirgianakis in exchange for approximately

\$1.1 million and 857,696 Shares and Warrants to purchase up to an aggregate of 214,425 shares of our common stock that will be issued to the brother of Stavros Vizirgianakis in exchange for approximately \$0.4 million.

2022 Lock-Up Agreements

Under the terms of the Securities Purchase Agreement, each of the accredited investors party thereto executed a lock-up agreement with the Company, pursuant to which each such investor agreed to a lock-up on any sale or other disposition of our common stock, subject to certain exceptions. The time period of the lock-up is three months, except in the case of Stavros Vizirgianakis who agreed to a 12-month lock-up period.

Lead Investor Agreement

Under the terms of the Securities Purchase Agreement, we entered into an agreement with Stavros Vizirgianakis, as the lead investor of the Private Placement (the “Lead Investor”), at the First Closing, pursuant to we agreed to provide certain director nomination rights to the Lead Investor (the “Lead Investor Agreement”). Pursuant to the terms of the Lead Investor Agreement, we expanded the size of our Board by one position and elected the Lead Investor as a director to fill the vacancy created as a result of the increase, effective upon completion of the First Closing. In addition, we elected the Lead Investor as Chairman of the Board, effective upon completion of the First Closing. The director nomination rights set forth in the Lead Investor Agreement will terminate on the earlier of (i) the date on which the Lead Investor ceases to hold at least 75% of the Shares to be purchased by him in the Private Placement; (ii) the second anniversary of the date of the Second Closing; or (iii) upon written notice of the Lead Investor to the Company.

2022 Registration Rights Agreement

Under the terms of the Securities Purchase Agreement, we entered into a Registration Rights Agreement with Stavros Vizirgianakis, his brother, and the other accredited investors party to the Securities Purchase Agreement, which requires us, among other things, to file a shelf resale registration statement with the SEC within 60 days of the date of the First Closing for purposes of registering the resale of the Shares and the shares of our common stock issuable upon exercise of the Warrants and use our commercially reasonable best efforts to cause the shelf resale registration statement to become effective under the Securities Act within 75 days of the date of the First Closing, subject to certain exceptions. We intend to file this registration statement no later than October 24, 2022.

Family Relationships

There are no family relationships between or among our directors, executive officers, or persons nominated or chosen by the Company to become directors or executive officers.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Significant Beneficial Owners

The table below sets forth, as of September 15, 2022, information as to beneficial owners that have reported to the SEC or have otherwise advised us that they are a beneficial owner, as defined by the SEC’s rules and regulations, of more than 5% of our outstanding common stock.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾
Common Stock	OrbiMed Advisors LLC ⁽²⁾ 601 Lexington Avenue, 54 th Floor New York, NY 10022	73,114,592	71.7%
Common Stock	Altium Capital Management, LP ⁽³⁾ 152 West 57 th Street, Floor 20 New York, NY 10019	12,744,209 ⁽⁴⁾	6.1% ⁽⁴⁾

(1) Percent of class is based on 101,981,250 shares of our common stock outstanding as of September 15, 2022.

(2) Based in-part on information contained in a Schedule 13D/A filed with the SEC on August 30, 2022. Includes 56,004,974 shares of common stock held of record by ROS Acquisition Offshore LP (“ROS Acquisition”). OrbiMed Advisors LLC (“Advisors”), a registered investment adviser under the Investment Advisors Act of 1940, as amended, is the investment manager of ROS Acquisition. By virtue of such relationships, Advisors may be deemed to have voting and investment power with respect to the securities held by ROS Acquisition as noted above and as a result may be deemed to have beneficial ownership over such securities. Advisors exercises its voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and W. Carter Neild, each of whom disclaims beneficial ownership of the securities held by ROS Acquisition.

Also includes 17,109,618 shares of common stock held of record by OrbiMed Royalty Opportunities II, LP (“ORO II”). OrbiMed ROF II LLC (“ROF II”) is the general partner of ORO II, and Advisors is the managing member of ROF II. By virtue of such relationships, Advisors and ROF II may be deemed to have voting and investment power with respect to the securities held by ORO II as noted above and as a result may be deemed to have beneficial ownership over such securities. Advisors exercises its voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and W. Carter Neild, each of whom disclaims beneficial ownership of the securities held by ORO II.

(3) Based on information contained in a Schedule 13G filed with the SEC on February 14, 2022 and other information known to the Company. Altium Growth Fund, LP (the “Fund”), Altium Capital Management, LLC, and Altium Growth GP, LLC each have shared dispositive power and voting power over the shares. The Fund is the record and direct beneficial owner of the shares. Altium Capital Management, LP is the investment adviser of, and may be deemed to beneficially own the shares owned by the Fund. Altium Growth GP, LLC is the general partner of, and may be deemed to beneficially own the shares owned by the Fund. The number of shares consists of 6,246,291 shares of our common stock and 6,497,918 shares of our common stock issuable upon exercise of a warrant (the “Investor Warrant”).

(4) While the total number of shares of our common stock issuable upon exercise of the Investor Warrant is reflected in this table, the Fund is not permitted to exercise such Investor Warrant to the extent that such exercise would result in the Fund and its affiliates beneficially owning more than 9.99% of the number of shares of our common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon exercise of such warrants. The Fund has the right to increase this beneficial ownership limitation in its discretion on 61 days’ prior written notice to us.

Security Ownership of Management

The table below sets forth information relating to the beneficial ownership of our common stock as of September 15, 2022 by:

- each of our directors;
- each of our named executive officers; and
- all current directors and executive officers as a group.

The number of shares beneficially owned by each person is determined in accordance with the SEC's rules and regulations, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under the SEC's rules and regulations, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of September 15, 2022 through the exercise of any stock options, warrants, or other rights or the vesting of any RSUs. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 101,981,250 shares of our common stock outstanding as of September 15, 2022. Shares of our common stock that a person has the right to acquire within 60 days of September 15, 2022 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percent of Class
Common Stock	John Bakewell	233,131	*
Common Stock	Sean E. Browne	1,769,300	1.7%
Common Stock	Michael Eggenberg	—	—
Common Stock	Robert McNamara	231,394	*
Common Stock	Jeffrey Peters	448,546	*
Common Stock	Matthew Rizzo	—	—
Common Stock	Stavros Vizirgianakis ⁽²⁾	4,393,849	4.3%
Common Stock	Greg Jensen	—	—
Common Stock	Kevin D. Brandt	299,010	*
Common Stock	All current executive officers and directors as a group (9 persons)	7,433,820	7.1%

* Less than 1% of outstanding shares of common stock.

(1) Includes for the persons listed below the following shares subject to warrants, options and RSUs held by that person that are currently exercisable or become exercisable within 60 days of September 15, 2022:

Name	Warrants	Options	RSUs
Sean E. Browne	—	931,855	498,831
Jeffrey Peters	—	—	215,415
Stavros Vizirgianakis	878,770	—	—
Greg Jensen	—	—	—
Kevin D. Brandt	—	183,485	—
All current directors and executive officers as a group (9 persons)	878,770	1,160,769	714,246

(2) Does not include an additional 2,264,861 shares of our common stock and warrants to purchase 566,214 shares of our common stock that will be issued to Mr. Vizirgianakis at the second closing of our private placement.

Anti-Hedging and Pledging Policy

Our insider trading policy prohibits all directors, and officers and employees of the Company, their family members and members of their households, and entities (such as trusts, partnerships, corporations and investment clubs) over which such directors, officers and employees of the Company have or share voting or investment control from engaging in any of the following transactions at any time (even if the individual involved is not in the possession of material, non-public information): (a) short sales of the Company's securities, including without limitation "sales against the box" (sales with delayed delivery); and (b) buying or selling puts, calls or other derivative securities relating to the Company's securities. In addition, the policy prohibits all directors and officers who are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended, from pledging the Company's securities as collateral for a loan.

ADDITIONAL INFORMATION

Stockholder Proposals and Director Nominations

Proposals by stockholders that are submitted for inclusion in our proxy statement for our 2023 Annual Meeting of Stockholders (the “2023 Annual Meeting”) must follow the procedures set forth in Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and our Second Amended and Restated Bylaws. To be timely under Rule 14a-8, stockholder proposals must be received by our Corporate Secretary at Xtant Medical Holdings, Inc., 664 Cruiser Lane, Belgrade, Montana 59714 by May 23, 2023. However, if the date of the 2023 Annual Meeting is changed by more than 30 days from the first anniversary of the date of the 2022 Annual Meeting, the deadline will instead be a reasonable time before we begin to print and mail the proxy statement for the 2023 Annual Meeting.

The Company’s Second Amended and Restated Bylaws also establish an advance notice procedure with regard to nominations of persons for election to the Board and stockholder proposals to be brought before an annual meeting. Stockholder proposals and nominations may not be brought before an annual meeting unless, among other things, the stockholder’s submission contained certain information concerning the proposal or the nominee, as the case may be, and other information specified in the Company’s Second Amended and Restated Bylaws. Proposals or nominations not meeting these requirements will not be entertained at an annual meeting.

Stockholder proposals and nominations may not be brought before the 2023 Annual Meeting unless, among other things, the stockholder’s submission contains certain information concerning the proposal or the nominee, as the case may be, and other information specified in the Company’s Second Amended and Restated Bylaws, and the stockholder’s submission is received by us no earlier than the close of business on June 28, 2023 and no later than July 28, 2023. However, if the date of the 2023 Annual Meeting is changed by more than 30 days before or more than 70 days after the first anniversary of the date of the 2022 Annual Meeting, notice by the stockholder must be delivered not earlier than the close of business on the 120th day prior to the 2023 Annual Meeting and not later than the close of business on the later of the 90th day prior to the 2023 Annual Meeting or the 10th day following the day on which public announcement of the date of the 2023 Annual Meeting is first made by the Company. Proposals or nominations not meeting these requirements will not be entertained at the 2023 Annual Meeting. In addition, to comply with the universal proxy rules, stockholders who intend to solicit proxies in support of director nominees other than Xtant’s nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than August 27, 2023 and such notice must contain certain additional information, including information required by Rule 14a-19(b).

Stockholders recommending candidates for consideration by the Board must provide the candidate’s name, biographical data, and qualifications. Any such recommendation should be accompanied by a written statement from the individual of his or her consent to be named as a candidate and, if nominated and elected, to serve as a director. These requirements are separate from, and in addition to, the SEC’s requirements that a stockholder must meet in order to have a stockholder proposal included in the proxy statement.

Householding Information

The SEC has adopted rules that permit companies and intermediaries (such as banks and brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This delivery method is referred to as “householding” and can result in cost savings for us. To take advantage of this opportunity, we may deliver a single proxy statement to multiple stockholders who share an address unless we have received contrary instructions. We will deliver upon oral or written request a separate copy of our proxy statement to any stockholder of a shared address to which a single copy of our proxy statement was delivered. If you prefer to receive separate copies of our proxy statement, either now or in the future, or if you currently are a stockholder sharing an address with another stockholder and wish to receive only one copy of future proxy statements for your household, please call us at (406) 388-0480 or send your request in writing to us at the following address: 664 Cruiser Lane, Belgrade, Montana 59714, Attention: Corporate Secretary.

Copies of 2021 Annual Report

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 is being sent along with this proxy statement. The 2021 Annual Report is also available on our website at www.xtantmedical.com.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on October 26, 2022: The proxy statement, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 are available at www.xtantmedical.com (click “Investors” and “SEC Filings”).

Your vote is important. Please promptly vote your shares of our common stock by completing, signing, dating, and returning your proxy card or by Internet or telephone voting as described on your proxy card.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'Stavros Vizirgianakis', written over a faint, illegible background.

Stavros Vizirgianakis
Chairman of the Board

Belgrade, Montana
September 20, 2022

