

NUVASIVE, INC.

Charter for the Audit Committee of the Board of Directors

Adopted February 20, 2004

Purpose and Powers

The purpose of the Audit Committee (the “Committee”) will be: to assist the Board of Directors (the “Board”) in its oversight of the accounting and financial reporting processes of Nuvasive, Inc. (the “Company”); to appoint, compensate and oversee the Company’s independent auditor; and to supervise the finance function of the Company (which will include, among other matters, the Company’s investment activities). The Committee will have the power to engage and compensate independent counsel and other advisors as it deems necessary to carry out its duties. In addition, the Committee has the authority to the extent permitted under applicable laws, rules and regulations, and the Company’s bylaws and Certificate of Incorporation, to delegate to one or more of its members the authority to grant pre-approvals of audit services and permissible non-audit services, provided such decisions are presented to the full Committee at regularly scheduled meetings.

The Committee will undertake those specific duties and responsibilities listed below, and such other duties as the Board from time to time may prescribe. The Committee will provide to the Board the results of its examinations and recommendations, and such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require Board attention.

Charter

The Committee will review and reassess the adequacy of this charter at least once annually. This charter (as then constituted) shall be publicly filed, as may be required by the Securities Exchange Act of 1934 (the “Exchange Act”), or the rules and regulations of the SEC, the NASD, Nasdaq, or any other applicable regulatory authority.

Membership

The Committee shall consist of at least three non-employee members of the Board. Such members will be elected and serve at the pleasure of the Board. The Committee’s membership shall comply with the independence standards set forth in the Exchange Act and the rules of the Nasdaq Stock Market, and with the financial literacy and sophistication requirements of the Nasdaq Stock Market; provided, however, that in conformity with the rules of the Nasdaq Stock Market, the Board may decide that, if it is in the best interests of the Company, one non-employee member of the Board that meets the independence standards set forth in the Exchange Act, but not the independence standards of the Nasdaq Stock Market, may serve on the Audit Committee for up to two years.

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Meetings

The Committee will meet quarterly, or more often if necessary to fulfill its responsibilities.

Responsibilities

Oversight of Independent Auditor

The Committee shall have the sole authority to select, evaluate, and if necessary replace the independent auditor, it being acknowledged that the independent auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders. In connection with this authority, the Committee will:

1. Appoint and provide for the compensation of a public accounting firm registered with the Public Company Accounting Oversight Board to serve as the Company's independent auditor, oversee the work of the independent auditor (including resolution of any disagreements between management and the independent auditor regarding financial reporting), evaluate the performance of the independent auditor and, if so determined by the Committee, replace the independent auditor.
2. Discuss with the independent auditor the matters required to be discussed by SAS 61, as SAS 61 may be modified or supplemented.
3. Confirm annually that the proposed audit engagement team for the independent auditor complies with the applicable auditor rotation rules.
4. Pre-approve all non-audit services to be provided by the independent auditor; this authority may be delegated to one or more members of the Committee, who will report regularly to the full Committee on non-audit services approved.
5. Review the report from the independent auditor required by Section 10A of the Exchange Act, including all critical accounting policies to be used by the company; all alternative financial treatments of financial information permissible within GAAP that have been discussed with management, the ramifications of such alternative treatment, and the independent accountant's preferred treatment; and other material written communications, such as management letters, between the independent auditor and management.

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6. Review the written statement from the independent auditor delineating all relationships between the accountants and the Company, consistent with Independence Standards Board Standard 1. Review the statement with the independent auditor, oversee the independence of the independent auditor and, if so determine by the Committee, take appropriate action to address any issue raised
7. Instruct the independent auditor to advise the Committee if there are any subjects that require special attention.

Oversight of Financial Reporting and Other Financial Disclosure

The Committee will:

8. Review with management and the independent auditor at least annually the Company's application of critical accounting policies and its consistency from period to period, and the compatibility of these accounting policies with generally accepted accounting principles, and (where appropriate) the Company's provisions for future occurrences which may have a material impact on the financial statements of the Company. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by management and the independent auditor. Review with management and the independent auditor, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
9. Oversee the adequacy of the Company's system of internal accounting controls. obtain from the independent auditor management letters or summaries on such internal accounting controls, and review any related significant findings and recommendations of the independent auditor together with management's responses thereto.
10. Review the evaluation of internal controls prepared by management, and the independent accountant's attestation, to the extent required by applicable law.
11. Review the Company's Quarterly Reports on Form 10-Q with management and the independent auditor; review of Quarterly Reports on Form 10-Q may be delegated to a Committee member that has appropriate financial expertise.
12. Review the Company's Annual Report on Form 10-K with management and the independent auditor prior to filing of the reports with the SEC, and recommend whether the audited financial statements are to be included in the Company's Annual Report on Form 10-K.

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13. Meet with management and the independent auditor to discuss the annual financial statements and the report of the independent auditor, and to discuss significant issues encountered in the course of the audit work, including: restrictions on the scope of activities; access to required information; the adequacy of internal financial controls; the adequacy of the disclosure of off-balance sheet transactions, arrangements, obligations and relationship in reports filed with the SEC; and the appropriateness of the presentation of any non-GAAP financial measures included in any report filed with the SEC or in any public disclosure or release.
14. At least once annually, discuss with the independent auditor, without management being present, any matters the Committee or the independent auditor believe could significantly affect the financial statements and should be discussed privately.

Other Responsibilities

The Committee will:

15. Oversee the Company's compliance with the Foreign Corrupt Practices Act.
16. Oversee the Company's finance function, which may include the adoption from time to time of a policy with regard to the investment of the Company's assets.
17. Review and approve all related party transactions other than compensation transactions.
18. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.
19. Establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

In addition to the above responsibilities, the Committee will undertake such other duties as the Board delegates to it or that are required by applicable laws, rules and regulations.

Reports

The Committee will, to the extent deemed appropriate, record its summaries of recommendations to the Board in written form that will be incorporated as a part of the minutes of the Board. To the extent required, the Committee will also prepare and sign a Report of the Audit Committee for inclusion in the Company's proxy statement for its Annual Meeting of Stockholders.