

ARTHROCARE CORPORATION
Corporate Strategy Committee Charter

[Adopted July 24, 2003]

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Corporate Strategy Committee Charter

This Corporate Strategy Committee Charter was adopted by the Board of Directors (the “Board”) of ArthroCare Corporation (the “Company”) on July 24, 2003.

1. Purpose and Responsibilities

The Corporate Strategy Committee (the “CSC”) is a committee of the Board of Directors. The purpose of the CSC is to review and make recommendations to the Board of Directors regarding Company strategy. The CSC’s policy is to ensure that the Company is pursuing an overall business strategy that will enhance long term shareholder value and safeguard the assets of the Company. The CSC has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board of Directors from time to time prescribes. The CSC’s responsibilities shall include:

- (a) Reviewing and making recommendations to the Board regarding the Company’s overall strategy and strategic plan.
- (b) Reviewing individual business unit strategies and making recommendations to the CEO and responsible business unit managers.
- (c) Reviewing potential merger, acquisition, partnering, licensing, and divestiture opportunities and making recommendations to the Board.
- (d) Reviewing and making recommendations to the Board regarding the Company’s strategic planning process.

2. Committee Composition

Subject to approval of the Board of Directors, the CSC shall be comprised of no less than three (3) members from the Board and the CEO. The CSC should be chaired by the CEO and comprised of directors experienced in business strategy and mergers/acquisitions. The members of the CSC are appointed by and serve at the discretion of the Board of Directors.

3. Committee Standards

The CSC’s role includes coordination and cooperation with other Board committees, management, counsel and other committee advisors. The Committee should insist upon and maintain the highest ethical standards, integrity and transparency in its relationships with management.

4. Calendar and Standing Agenda

- (a) The CSC shall meet at least four (4) times per year or more frequently as need dictates. There will be regular topics for each meeting. Other items will be added as necessary.

The CSC may ask members of management or others to attend the meeting and provide information as necessary. The CSC will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

(b) At a minimum of one of its meetings annually, the CSC will review the CSC's strategic plan.

5. Reporting to the Board

The CSC Chair should report regularly to the Board in executive session on the CSC's activities, issues, and concerns, including an annual review of the CSC's performance in relation to its charter.