

NUVASIVE TAX POLICY

This tax policy relates to the financial year ended 31 December 2018 and applies to the NuVasive Group of companies and includes both the application of U.K. tax laws and tax laws of other jurisdictions in which we operate. This document is published by NuVasive, Inc. on behalf of NuVasive UK Limited in compliance with the Company's duties under Paragraph 19 of Schedule 19 of the UK Finance Act 2016 to publish a tax strategy.

GROUP OVERVIEW

NuVasive, Inc. (**NuVasive, we, us** or the **Company**), an entity listed on NASDAQ as **NUVA**, is the ultimate parent of the companies that form NuVasive Group. NuVasive is headquartered in San Diego, California. Our offices in Amsterdam, The Netherlands, serves as our international headquarters.

Information regarding our business and our principal product offerings is contained in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (**SEC**), which can be assessed [here](#).

OUR PURPOSE

Transforming Spine Surgery and Changing Lives Every Day

At NuVasive, we are committed to being the best and then being first in everything we do. Our commitment, passion and purpose unites us in delivering game-changing innovation and world-class procedural solutions and clinical services. Just as important to our business success is our unwavering commitment to conduct all of our business activities in accordance with the highest standards of ethics, integrity, responsibility and accountability. Every day, we must follow the spirit and letter of the laws, rules and regulations that guide our Company and industry.

NuVasive grounds its business success in ethics and compliance. In 2004, the Company adopted its first Code of Conduct (the **Code**), supported by a comprehensive compliance program that established the Company's core values of running the business in a compliant and ethical manner. Over the years, our Code has continued to evolve, but one thing has remained constant—our commitment to upholding the highest standards of business conduct and always “doing the right thing”. The Code communicates clear expectations of how we should act every day and in every aspect of our work. By following the Code and the principles contained in it, we can achieve our business goals and maintain our global reputation as an ethical company.

NUVASIVE CODE OF ETHICAL BUSINESS CONDUCT

The Code

The Company has established a global code of ethical business conduct, the principles of which guide the conduct of all employee Shareowners, officers and directors worldwide (collectively, **Shareowners**). The Code serves as the foundation for all of our corporate policies and procedures. Our commitment to

the Code helps ensure that all aspects of our worldwide business are compliant with the financial, legal and ethical standards in our industry.

Accordingly, our commitment to ethical and lawful behavior is at the core of our Code. It governs the way we interact with each other, our customers and the governmental agencies in each jurisdiction we operate.

Following our Code also means following all applicable NuVasive policies and procedures, which includes our tax policy. All NuVasive policies and procedures are designed to ensure we comply with all applicable international, federal, state and local laws and regulations as they pertain to tax, as well as all other aspects of NuVasive operations and corporate existence.

NuVasive Global Risk and Integrity (GRI) Program

In order to ensure compliance with the Code, NuVasive has appointed a Chief Risk & Compliance Officer (**CRCO**) and integrated the various risk and compliance functions in order to coordinate and better leverage the Company's risk and compliance capabilities to make them a competitive advantage. The GRI Program applies to all NuVasive Shareowners, which include: (i) all officers, employees, and directors of NuVasive; and (ii) all agents, distributors, independent contractors, and other persons who, on behalf of NuVasive, perform functions related to NuVasive business, and to NuVasive subsidiaries.

The mission of the GRI Program is to:

- Support NuVasive and its management in achieving its mission through risk and compliance management practices that contribute to sound and responsible business practices and integrity of the products and services delivered;
- Support the business by aligning effective and efficient risk and compliance management practices with business goals and strategic initiatives to create a competitive advantage and drive more value to the organization; and
- Support the organization by incorporating the principles of integrity, leadership, accountability and clarity in the day-to-day operations of NuVasive businesses worldwide.

Tax Policy Oversight

Ultimate responsibility for establishing and executing our tax policy and the management of our tax risks is entrusted with our Chief Financial Officer (**CFO**). Among the responsibilities of the Audit Committee of the Company's Board of Directors (**BOD**) are the oversight of both the Company's overall risk management framework and finance function.

Day-to-day responsibility for the management of our tax policy is delegated by the CFO to our Vice President of Tax, who directly reports to the CFO.

The Vice President of Tax is supported by a tax team of qualified in-house tax professionals based in the U.S. and The Netherlands. This team manages NuVasive tax issues on a day-to-day basis, to

include tax and financial reporting obligations, tax authority enquiries and teaming across other NuVasive functions to identify tax implications when evaluating potential transactions.

All relevant tax issues are brought to the attention of the Vice President of Tax and, if deemed material, to the CFO. In addition, the Vice President of Tax updates the BOD on significant tax matters as needed, and no less than annually. External advisors are engaged for specialty guidance in situations to include material, non-routine transactions or areas of the tax law that are especially complex.

INTRODUCTION – HOW WE APPROACH TAX

As responsible stewards, we manage our global tax responsibilities in keeping with our purpose and guiding principles. We approach tax with the goal of aligning the needs and long-term interests of government entities, our shareholders, Shareowners and the healthcare communities where we operate. Thus,

- We always consider the Company's most valuable asset – its reputation - when considering tax matters.
- We communicate with tax authorities in an open, honest and constructive manner.
- We ensure our transfer pricing policies comply with applicable international agreed and recognized principles outlined in the Organisation for Economic Co-operation and Development (**OECD**) guidelines and we report income in countries where the value is created applying arm's length principles.
- We comply with the SEC disclosure and transparency laws and regulations (for both financial and tax reporting). Additionally, we comply with laws of other government agencies in jurisdictions we operate which require such reporting.
- We comply with initiatives to improve transparency on tax matters, including OECD measures on country-by-country reporting.
- We recognize the importance of tax systems in aiding government funding of the healthcare system to meet the medical needs of their residents.

HOW WE MANAGE OUR TAX RISKS

As a company that operates in the United States and numerous foreign jurisdictions, we are exposed to both internal and external risks that could affect our business. A description of the material risks affecting the NuVasive Group is contained in our latest Annual Report on Form 10-K filed with the SEC. The highest risks we consider from a tax perspective include:

- **Global complexity risks** – We are subject to taxes in the U.S. and numerous foreign jurisdictions, where many of our subsidiaries are located. Significant judgment is required when interpreting complex tax laws and regulations. Tax authorities may challenge these interpretations which can

lead to risk. In addition, tax authorities across various jurisdictions, may take adverse positions on the same issue which can lead to additional controversy.

- **Legislative and regulatory risks** – Due to dynamic economic and political conditions, tax rates and tax systems in the jurisdictions in which we operate, may be subject to significant change, which creates additional uncertainty. This includes future changes to both U.S. and non-U.S. tax laws, such as U.S. tax reform legislation and the adoption of BEPS action items.
- **Operational risks** – As part of our globalization initiative, we have centralized international operations in The Netherlands and have entered into intercompany transfer pricing arrangements, including the licensing of intangibles. We intend to continue to streamline our international operations to better align with and support our international business activities and markets through changes in how we develop, license and use our intangible property and how we structure our international procurement and customer service functions. There can be no assurance that the taxing authorities of the jurisdictions in which we operate will not challenge the tax benefits that we ultimately expect to realize as a result of our international structure.
- **Tax compliance and reporting risks** – To mitigate compliance and reporting risk, we have engaged global third party service providers to prepare or review all significant income and indirect tax filings in an effort to ensure proper compliance with local tax laws and regulations. As previously stated, intercompany transfer pricing methodologies are confirmed and supported by these same providers. NuVasive is subject to the SEC’s reporting requirements and has implemented internal controls to ensure compliance with the Sarbanes-Oxley Act of 2002 and other financial reporting and consumer protection controls. The NuVasive tax function has an established list of internal controls that are tested by our internal audit team, as well as our independent auditors, to further ensure we are providing complete and accurate tax information to our investors and paying our fair and legal share of taxes in the jurisdictions in which we operate.

OUR TOLERANCE OF TAX RISKS

The Company’s approach to tax risk is integrated within our overall broader GRI Program, which includes our Code. Our Code dictates that we comply with all applicable international, federal, state and local tax laws and regulations in all countries in which we operate. This includes monitoring changes to tax laws in all jurisdictions where we work or do business. Our NuVasive policies and procedures are designed to ensure we maintain proper tax compliance, which mitigates our tax risks.

We continually reevaluate our tolerance of risk in a manner consistent with applicable tax laws and regulations, in conjunction with the changes in the general business environment, our business operations and the long-term interest of all NuVasive shareholders. When appropriate, we engage advisors to assist us in gaining additional certainty regarding our tax positions.

OUR ATTITUDE TO TAX PLANNING

Our tax and finance team supports the business operational needs of the NuVasive Group. We accrue, collect and pay taxes in jurisdictions consistent with applicable tax laws and regulations. To meet the objective of transfer pricing outcomes being in alignment with value creation and abiding by the arm's-length standard on controlled transactions, we commission an independent transfer pricing analysis on an annual basis. This analysis conforms to OECD guidelines and applicable local transfer pricing documentation requirements. As part of our teaming with other NuVasive functions, the tax department evaluates operating models created by the business to determine the proper tax treatment. Where appropriate and in conjunction with substantive business activities, we identify and utilize tax credits and incentives offered by governments and localities and in the manner they are intended. While tax considerations are one component of the Company's business decisions, the NuVasive tax team does not decide how the business is managed.

RELATIONSHIPS WITH TAX AUTHORITIES

Our commitment to the principles of clarity and integrity guide our relationships with the tax authorities in all jurisdictions in which we operate, including, the Internal Revenue Service (**IRS**) in the U.S., the Dutch Tax and Customs Administration (**DTCA**) in The Netherlands and HM Revenue & Customs (**HMRC**) in the U.K. We respond to enquiries in a professional and timely manner.

We strive to maintain an open, honest and constructive dialog with tax authorities based on respect, transparency, and trust. Where possible, we work closely with taxing authorities in material jurisdictions to ensure clarity and certainty in the interpretation of tax laws and our tax positions. We continue to correspond as facts or circumstances change to ensure our structure is transparent and fully understood and any resulting tax benefits intended are mutually agreed upon. This open, two-way, communication enables us to work real time with tax authorities on current, future and past tax risks in an effort to minimize uncertain tax positions and encourages a harmonious relationship with our host countries.