

MEDIGARD

**BOARD**

**CHARTER**

## **1. Purpose of the Charter**

- A. The purpose of this Board Charter is to set out the role, composition and responsibilities of the Board of Medigard Limited (“Medigard”).
- B. The conduct of the Board is also governed by the constitution of Medigard a copy of which is contained within the company files.

## **2. Membership and Term**

- A. The Medigard constitution provides for a minimum of three directors and a maximum of nine directors. Medigard has adopted the policy for the time being to have three directors but will review this requirement as circumstances and opportunities dictate.
- B. The Board at present consists of two non-executive directors and one executive director. Only one non-executive director is independent. The Board will review this policy as the company evolves and it will actively seek to appoint independent non-executive directors.
- C. The Chief Executive Officer (“CEO”) is not a director of the Board this being considered best practice to ensure limited conflict of interest. The CEO for the time being acts in a separate capacity as Company Secretary and hence is present at all board meetings.
- D. Membership of the Board will be disclosed in the annual report and otherwise announced to the market.
- E. There is no tenure policy applying to any board member but no director shall serve longer than a term of three years. Resignations from the board and re-election will occur in accordance with the Medigard constitution.

## **3. Responsibilities**

- A. The Board has delegated general authority for the operations of Medigard to the CEO and in conjunction with him, the Executive Director. Nevertheless, given its size and status, the Board continues to be actively involved in all matters of consequence.
- B. The Board’s overall responsibility is to promote the success of Medigard as an owner and licensor of medical devices.
- C. Specifically, the Board is responsible for:
  - Setting the strategic direction of Medigard and monitoring performance of the company’s progress within that strategy
  - Ensuring that there are sufficient financial, operational and human resources to meet the company’s objectives

- Appointment and removal of the CEO and, where appropriate, senior executives and consultants
- Approval and monitoring of financial reporting, capital management and business objectives
- Ensuring adequate risk management measures are implemented and monitored
- Ensuring appropriate governance structures and ethical standards are maintained within the company
- Ensuring that the Board itself remains skilled and resourced to meet Medigard's needs and expected growth.

#### **4. Chairman**

- A. The Chairman is non-executive but is also a substantial shareholder and hence not independent.
- B. The Chairman will conduct all meetings honourably and fairly and in accordance with the Medigard Constitution.

#### **5. Separation of duties between the Chairman and the CEO**

- A. The roles of the Chairman and the CEO are strictly separated.
- B. The Chairman is responsible for:
  - Leading the Board in its duties
  - Ensuring that there are processes and procedures to educate and evaluate the Board and its performance
  - Facilitate effective discussions at Board meetings
  - Ensure effective communication with shareholders and other stakeholders including representing the company where appropriate.
- C. The CEO is responsible for:
  - The efficient and effective operation of Medigard
  - Ensuring that all directors are fully informed and provided with accurate and clear information on which to base their decisions
  - Ensuring that all matters that materially affect Medigard are brought to the boards' attention
  - Representing the company and being Medigard's primary spokesperson.

## **6. Board Committees**

- A. The Board shall have three committees with representation determined by the Board at its discretion.
- B. The three committees will be:
  - Audit and Risk
  - Finance
  - Nomination and Remuneration
- C. Each of these committees will operate in accordance with their own charter.

## **7. Secretary**

The Company Secretary will be a secretary to the Board and will operate in accordance with the Medigard Constitution and all applicable laws and regulations.

## **8. Reporting**

- A. Proceedings of all meetings will be minuted and signed by the respective Chairman.
- B. Minutes of all Board meetings will be circulated to directors and approved by them at the subsequent meeting

## **9. Review of Charter**

The Board will review and, if appropriate, amend this charter from time to time to ensure it remains consistent with the company's objectives and values.

## **10. Publication**

A copy of this charter is available at the offices of Medigard and will be forwarded to shareholders if requested.

## **11. Non Exclusive**

This charter does not purport to be an entire statement of the directors' duties. Reference should be had to Medigard's Constitution and statute law and other regulations.