

Surgical Innovations Group plc
Statement on Corporate Governance

Principle	Extent of current compliance	Commentary	Further disclosure(s)
<i>Establish a strategy and business model which promote long term value for shareholders.</i>	<i>Fully compliant</i>	<p><i>Group business strategy is summarised in the Mission Statement approved by the board in February 2018, entitled “Inspired by surgeons for the benefit of patients”.</i></p> <p><i>Strategic issues, and the appropriate business model to exploit opportunities and mitigate risks, are under continuous review by the board, and reported periodically.</i></p>	<p><i>Go to www.sigroupplc.com and follow About Us then Our Business Activities</i></p> <p><i>Strategic Report section of the Annual Report</i></p>
<i>Seek to understand and meet shareholder needs and expectations</i>	<i>Fully compliant</i>	<i>Regular meetings are held with institutional and private shareholders, during which structured feedback is sought and, where considered appropriate, acted upon.</i>	<i>Go to www.sigroupplc.com and follow Investor Centre then Meetings & Voting</i>
<i>Take into account wider stakeholder and social responsibilities and their implications for long term success</i>	<i>Fully compliant</i>	<i>Directors and employees adopt a broad view during decision making to take meaningful account of the impact of our business on all key stakeholder groups. Feedback from employees, customer groups, suppliers and others is actively encouraged.</i>	<i>Go to www.sigroupplc.com and follow About Us then Corporate Social Responsibility</i>
<i>Embed effective risk management, considering both opportunities and threats, throughout the organisation</i>	<i>Fully compliant</i>	<p><i>The group operates a system of internal controls designed (to the extent considered appropriate) to safeguard group assets and protect the business from identified risks, including risk to reputation.</i></p> <p><i>Financial risks, including adequacy of funding and exposure to foreign currencies, are identified and subject to examination during the annual external audit process.</i></p>	<i>Principal Risks and Uncertainties section of Annual Report</i>
<i>Maintain the board as a well-functioning, balanced team led by the chair</i>	<i>Fully compliant</i>	<p><i>The board comprises seven directors; three non-executive directors, three full time executive directors, and the Executive Chairman (whose responsibilities approximate to one day per week). Two of the non-executive directors are considered to be fully independent (Alistair Taylor and Paul Hardy).</i></p> <p><i>The board is supported by appropriate board committees which are each chaired by one of the independent non-executive directors.</i></p> <p><i>An annual record of attendance at board meetings will be included in</i></p>	<i>Board section of Annual Report (commencing 2018).</i>

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		<i>the Annual Report at the conclusion of each year.</i>	
<i>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</i>	<i>Fully compliant</i>	<i>The board is satisfied that the current composition provides the required degree of skills, experience, diversity and capabilities appropriate to the needs of the business. Steps are taken to challenge the status quo, and encourage proper consideration of any dissenting opinion. Board composition and succession planning are subject to continuous review taking account of the potential future needs of the business.</i>	<i>Board section of Annual Report (commencing 2018).</i>
<i>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</i>	<i>Partially compliant</i>	<i>Board evaluation has not been carried out as part of a formal process, although the Chairman has actively encouraged self-evaluation by all board members, and feedback on the conduct and content of board meetings. The board will consider whether a more structured approach is required in future.</i>	<i>N/A</i>
<i>Promote a corporate culture that is based on ethical values and behaviours</i>	<i>Fully compliant</i>	<i>The board promotes high ethical and moral standards which are set out in the Mission Statement. The board and all employees expect to be judged by, and accountable for, their actions. The business operates in a highly regulated environment, which promotes the benefits of high moral standards and rewards good behaviour over the long term.</i>	<i>Go to www.sigroupplc.com and follow About Us then Our Business Activities</i>
<i>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</i>	<i>Fully compliant</i>	<i>The board as a whole share responsibility for sound governance practices. The roles and responsibilities of each of the directors (including committee memberships) are clearly set out in their job descriptions and any particular responsibilities communicated and understood.</i>	<i>Board section of Annual Report (commencing 2018).</i>
<i>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</i>	<i>Fully compliant</i>	<i>Regular meetings with shareholders and other key representative groups provide a specific opportunity for raising any concerns related to corporate governance, including any significant votes cast against or abstaining from shareholder resolutions. A record of meetings held to engage with shareholders will be included in each Annual Report.</i>	<i>Go to www.sigroupplc.com and follow Investor Centre then Meetings & Voting Board section of Annual Report (commencing 2018).</i>