

Surgical Innovations Group plc

Statement of compliance with QCA code on Corporate Governance

Principle	Extent of current compliance	Commentary	Further disclosure(s)
<p><i>Establish a strategy and business model which promote long term value for shareholders.</i></p>	<p>Fully compliant</p>	<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>Key risks and mitigating actions are detailed in the Principal risks and uncertainties section of the Annual Report.</i></p>	<p>Go to www.sigroupplc.com and follow About Us then Our Business Activities</p> <p>Strategic Report section of the Annual Report</p>
<p><i>Seek to understand and meet shareholder needs and expectations</i></p>	<p>Fully compliant</p>	<p><i>Regular meetings are held with institutional and private shareholders, during which structured feedback is sought and, where considered appropriate, acted upon.</i></p> <p><i>Shareholder liaison is principally undertaken by the Non-Executive Chairman and the Chief Executive Officer.</i></p>	<p>Go to www.sigroupplc.com and follow Investor Centre then Meetings & Voting</p>
<p><i>Take into account wider stakeholder and social responsibilities and their implications for long term success</i></p>	<p>Fully compliant</p>	<p><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.</i></p> <p><i>The Board recognises that the Company’s long-term success is reliant on the efforts of its employees, customers and suppliers and through maintaining relationships with its regulators.</i></p> <p><i>Feedback from employees, customer groups, suppliers and others is actively encouraged.</i></p>	<p>Go to www.sigroupplc.com and follow About Us then Corporate Social Responsibility</p>
<p><i>Embed effective risk management, considering both opportunities and threats, throughout the organisation</i></p>	<p>Fully compliant</p>	<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. 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>	<p>Principal Risks and Uncertainties section of Annual Report</p>

<p><i>Maintain the board as a well-functioning, balanced team led by the chair</i></p>	<p><i>Fully compliant</i></p>	<p><i>The board comprises six directors; three non-executive directors, two full time executive directors, and the Non-Executive Chairman. The Chairman and two of the non-executive directors are considered to be fully independent (Alistair Taylor and Paul Hardy). 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 the Annual Report at the conclusion of each year.</i></p> <p><i>The Non-Executive Chairman's responsibilities approximate to one day per week, other Executive Directors are expected to work full time. Non-executive directors are expected to commit sufficient time to fulfill their role – this approximates to 2 days per month.</i></p> <p><i>The attendance by the members of the Board at the meetings is recorded and reviewed annually.</i></p>	<p><i>Board section of Annual Report</i></p> <p><i>Corporate Governance section of Annual Report</i></p>
<p><i>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</i></p>	<p><i>Fully compliant</i></p>	<p><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></p> <p><i>The Board has not taken any specific external advice on a specific matter, other than in the normal course of business as an AIM quoted company. The Directors rely on the Company's advisory team to keep their skills up to date and through attending market updates and other seminars provided by the advisory team, the London Stock Exchange plc and other intermediaries.</i></p>	<p><i>Board section of Annual Report</i></p>
<p><i>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</i></p>	<p><i>Partially compliant</i></p>	<p><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></p>	<p><i>Management section of Chairman's Statement</i></p>

<p>Promote a corporate culture that is based on ethical values and behaviours</p>	<p>Fully compliant</p>	<p>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.</p>	<p>Go to www.sigroupplc.com and follow About Us then Our Business Activities</p>
<p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>Fully compliant</p>	<p>The board as a whole share responsibility for sound governance practices. The Chief Executive Officer reports to the board. In addition to his collective responsibilities as a director, he is responsible for the oversight of the strategic and operating performance of the group The Group Financial Controller/Company Secretary reports to the Chief Executive Officer. In addition to her collective responsibilities as a director to the subsidiaries, she is primarily responsible for all aspects of financial reporting to the board and key stakeholders, as well as maintaining communication with investors and other key stakeholders. Details of the audit, remuneration and nomination committees are set out in the Corporate Governance section of the website. The Non-Executive Directors comprise the membership of each of the committees.</p>	<p>Board section of Annual Report Corporate Governance Section of Annual Report</p>
<p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>Fully compliant</p>	<p>The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities and strategy. Details of all shareholder communications are provided on the Company's website, including historical annual reports and governance related material together with notices of all general meetings for the last five years. The Company discloses outcomes of all general meeting votes. The Company has appointed a professional Financial Public Relations firm with an office in London to advise on its communications strategy and to assist in the drafting and distribution of regular news and regulatory announcements. Regular announcements are made regarding the Company's investment portfolio as well as other relevant market and regional news. The Company lists contact details on its website and on all announcements released via RNS, should shareholders wish to</p>	<p>Go to www.sigroupplc.com and follow Investor Centre then Meetings & Voting</p>

	<i>communicate with the Board.</i>	
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