

# **UTAH MEDICAL PRODUCTS, INC.**

## **Governance and Nominating Committee**

### **COMPOSITION**

The governance and nominating committee shall be composed of all directors who are independent directors as determined under the rules of the principal exchange on which the Company's equity securities are traded. Under the foregoing referenced NASDAQ requirement, nominees must be selected by either a majority of the independent directors or a nominating committee comprised solely of independent directors, so if the chief executive officer is a member of this committee (which is permitted), the committee's nominees must be submitted to the whole board for approval by a majority of the independent directors.

The board of directors of the Company shall determine annually the qualification of directors to serve on the governance and nominating committee under the foregoing criteria and may review and redetermine the qualifications of any director at any time.

### **MISSION**

The mission of the governance and nominating committee shall be to:

- develop and implement policies and procedures that are intended to ensure that the board of directors will be appropriately constituted and organized to meet its fiduciary obligations to the Company and its shareholders;
- identify individuals qualified to become members of the board of directors and recommend that the board of directors select the director nominees for the next annual meeting of shareholders; and
- develop and recommend to the board of directors a set of corporate governance principles applicable to the Company.

### **RESPONSIBILITIES**

The governance and nominating committee shall carry out the identified responsibilities in each of the following areas:

#### **Governance**

The governance and nominating committee shall:

- develop, review, evaluate, and recommend changes to the Company's corporate governance guidelines;

- periodically review the Company's policies and programs implementing the Company's corporate governance guidelines and recommend to the board of directors modifications to the policies as appropriate;
- periodically evaluate and report to the board of directors on the performance of the directors in fulfilling their responsibilities in the best interests of the Company;
- monitor compliance with the Company's corporate governance guidelines and implementation of policies and procedures;
- identify and bring to the attention of the board of directors current and emerging corporate governance trends, issues, and best practices that may affect the operations, performance, and public image of the Company;
- regularly review and recommend changes to the charter of this governance and nominating committee;
- review and approve or ratify all related-party transactions or relationships involving a director or executive officer subject to Section 16 of the Securities Exchange Act, *except* for employment, compensation, or similar arrangements between the Company and such directors and executive officers;
- review policies related to corporate and social issues important to the Company in order to make appropriate recommendations on specific issues, including those raised by shareholders;
- after consultation with the respective chairs of other committees, regularly review and recommend changes to the charters of other committees;
- implement effective programs: (a) to prevent and detect violations of law; (b) to conduct reasonable and diligent internal investigations of possible offenses; and (c) when warranted, to report offenses to appropriate governmental authorities; fully, timely, and thoroughly cooperate in related investigations; and clearly demonstrate recognition and affirmative acceptance or responsibility for the Company's conduct; and
- create subcommittees as appropriate to review specific areas of concern or interest and to report to the full governance and nominating committee respecting such further action, if any, as may be warranted.

## **Nomination**

The governance and nominating committee shall:

- review the performance of incumbent directors and submit to the board of directors nominations of qualified incumbent directors and others for election to the board of directors, including nominees of shareholders;
- anticipate vacancies due to retirement or board expansion;

- when extraordinary circumstances warrant, recommend removal of a director;
- periodically review the composition of the board of directors to determine whether additional directors with different qualifications or areas of expertise are needed to further enhance the composition of the board of directors and work with management in attracting candidates with those qualifications;
- establish procedures and criteria for considering nominees recommended by shareholders (such procedures are required disclosure in the Company's proxy or information statement for the annual shareholders' meeting); and
- develop criteria for board membership.

The governance and nominating committee shall have the authority to:

- retain and terminate outside counsel, consultants, or other advisors as it deems appropriate, including sole authority to approve the financial and other terms of engagement of such advisors, and to preserve and protect as privileged all communication between the governance and nominating committee or the Company with such counsel;
- delegate to one or more executive officers the authority to grant equity incentives to individuals who are not executive officers;
- delegate authority to a subcommittee of one or more designated members to perform specific duties or functions within specific parameters on behalf of the governance and nominating committee;
- revoke any delegation of authority at any time ; and
- have full access to the Company's executives and personnel records as are necessary to carry out its responsibilities.

## **MEETINGS**

The governance and nominating committee will meet periodically as necessary to act upon any matter within its jurisdiction. A majority of the total number of members of the governance and nominating committee shall constitute a quorum at all governance and nominating committee meetings. All meetings shall be held subject to and in accordance with Section 3.13 (including notice, quorum, and vote/actions of the committee) and other applicable sections of the Company's bylaws.

The governance and nominating committee will report on its actions and activities at the next regularly scheduled meeting of the board of directors. Governance and nominating committee members will be provided with copies of all governance and nominating committee minutes and unanimous written consents. The Company shall pay necessary and appropriate administrative expenses of the governance and nominating committee.

The governance and nominating committee shall meet periodically as needed in executive session without Company management present.

## **EDUCATION**

The Company is responsible for providing new members with appropriate orientation briefings and educational opportunities and all members with educational resources related to the governance and nominating committee's purpose and responsibilities.