

CHAIRMAN’S CORPORATE GOVERNANCE STATEMENT

The board of **Ergomed plc**, a company with its registered office at 1 Occam Court, Surrey Research Park, Guildford, Surrey GU2 7HJ, United Kingdom (“Ergomed”) is responsible for the Group’s corporate governance policies and places high value on good corporate governance, striving for transparency and integrity.

The objective of managing Ergomed in an efficient and entrepreneurial manner for the benefit of all global stakeholders over the longer term, while preserving transparency and integrity, continues to be an ambitious goal, but the Board continuously and diligently works on it.

Ergomed has adopted the Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies 2018 (the “QCA Code”). This statement sets out how Ergomed complies – in broad terms - with the 10 principles of the QCA Code as at 18 September 2018.

Principle	How does Ergomed comply
<p>Establish a strategy and business model which promote long-term value for shareholders</p>	<p>The Board is committed to delivering long term value for Ergomed’s shareholders.</p> <p>Ergomed’s strategy and business model have been worked on extensively by the Board and amended in the course of late 2017 and early 2018 to align with investors’ feedback and expectations. The details have been presented in the 2017 Annual Report (pages 14 – 17). Ergomed continues to evaluate the strategic direction taken in 2018.</p>
<p>Seek to understand and meet shareholder needs and expectations</p>	<p>The Board attaches great importance to communication with all Ergomed’s shareholders, both institutional and private. We encourage our shareholders to attend our Annual General Meeting, which provides a forum and time for shareholders’ questions and open discussions.</p> <p>Furthermore, feedback from investors is obtained through direct interaction between the CEO at meetings following its full year and half year results, and certain other ad-hoc meetings that take place during the year. The voting record at the Company’s general meetings is monitored and we are pleased that all resolutions proposed by the Company so far have been passed by shareholders (with a great majority being passed by 100% of attending votes).</p> <p>There is also a regular dialogue with shareholders through the medium of the Company’s corporate broker, Numis Securities, and the Company seeks to stay abreast of shareholder expectations and reactions through its dedicated investor email address: ir@ergomedplc.com.</p>

<p>Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>Ergomed being a global group, we have historically placed great value on understanding and respecting different cultural and social values within this international realm in which we operate. We have adopted policies addressing anti-slavery, anti-bribery and whistleblowing. We continue to adopt new policies and monitor the implementation of those that we have adopted so far.</p> <p>We recognize the importance of implementing feedback mechanisms to solicit, consider and act upon feedback from stakeholder groups. We intend to consider the implementation of such systems during 2018/2019. It remains a challenge, considering the global environment in which we operate, but the Board continues to place this matter high on the list of Ergomed’s priorities.</p>
<p>Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>Details of the principal risks and uncertainties which the Board considers to be associated with the Ergomed group’s activities, together with the mitigation actions which are being pursued in relation to them, are set out on pages 20 – 21 of the 2017 Annual Report.</p> <p>We continue to assess risk throughout the organisation on a daily basis and specifically when assessing particular contracts, projects or directions. We consider that there is room for improvement in the creation and implementation of risk management policies, and this is on Ergomed’s priority list for mid-2018 to mid-2019.</p>
<p>Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The Board is responsible for taking all major strategic decisions and also addressing any significant operational matters. In addition, the Board reviews the risk profile of the group and ensures that an adequate system of internal control is in place. A schedule of matters reserved for the Board was adopted in its last version as of 16 November, 2017 (as part of Memorandum on Corporate Governance, adopted at the Company’s IPO, as amended from time to time) and it will be regularly reviewed.</p> <p>Peter George is a strong Chairman with a well balanced mix of experience and skills in the industry. Chris Collins is a valued NED coming from the investment banking environment and providing valued input on market sensitivities and investor relations. As set out on page 24 of Ergomed’s 2017 Annual Report, the Board considers Peter George and Christopher Collins to be independent Directors. The Company’s founder, Dr. Miroslav Reljanovic, in his more recent role of Executive Vice Chairman, adds a unique mix of an entrepreneurial approach in this sector and the wisdom of a global market approach. The Executive team, led by CEO Stephen Stamp, who has a long history of successes in life sciences companies, has balanced skills and experiences, and is international, as Ergomed is.</p>

	<p>The Board meets face to face at least five times a year, and it is usual for all directors to attend. The Board has telephone calls or communicates via email on every material issue, throughout the calendar year.</p> <p>The Board additionally meets for Strategic Meetings once to twice a year.</p> <p>The Executive team and General Counsel and Company Secretary (“GC”) have weekly calls to discuss the state of Ergomed’s affairs and the ongoing projects and / or issues.</p>
<p>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The details of all Board members curricula are presented in the 2017 Annual Report (pages 22 – 23). Ergomed’s GC attends all of the Board meetings and assists directors with any legal or administrative issues arising.</p> <p>In 2018 the Board and GC have evaluated their skills and capabilities in search of a new NED. At such time it was concluded that the Board has the appropriate balance of skills and experience to effectively operate and control the business and that a new NED should have skills primarily in IT / Automation sector. A new NED is expected to be appointed by the end of 2018.</p> <p>No individual on the Board, or otherwise has unfettered powers to make decisions.</p> <p>In addition, Ergomed’s Nomination Committee identifies and nominates for the approval of the Board, candidates to fill Board vacancies as and when they arise.</p> <p>All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company’s expense. In addition, the Directors have direct access to the advice and services of the Chief Financial Officer and GC.</p> <p>All Directors retire by rotation at regular intervals in accordance with the Company’s Articles of Association.</p>
<p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The Board discusses its performance from time to time. The discussions are open and aimed at achieving improvement whenever possible.</p> <p>We recognize that the criteria and processes of these evaluations should be more formal, and this is one of our objectives for 2018 /2019. We also look at the tenure of the Board members, and consider succession plans.</p> <p>Both the Board and the GC consult with independent advisors, such as Ergomed’s NOMAD and external legal counsel whenever there is a potential issue or a debate.</p>

<p>Promote a corporate culture that is based on ethical values and behaviours</p>	<p>Ergomed has been an international company from its very beginning and has throughout this time appreciated and accommodated cultural differences and values. While we promote general policies of ethical value, we aim to provide space for cultural differences. We promote the involvement of local managers in our subsidiaries to integrate our core values with local cultural sensitivities.</p> <p>We intend to adopt a Code of Conduct by mid-2019 to integrate our views on our values and behaviours that we wish to promote.</p>
<p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>Our governance structure and the role of our Committees is well explained in our 2017 Annual Report (page 24).</p> <p>We intend to review our governance structures regularly to ensure they are fit for purpose and will carry out a review of the terms of our Audit and Risk, Nomination, AIM Compliance and Remuneration committees during 2018/2019.</p>
<p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>The dialogue with our shareholders is primarily maintained via: (i) our Annual General Meeting; (ii) our investors' dedicated email address: ir@ergomedplc.com; and (iii) our website (www.ergomedplc.com)</p> <p>The "Investor" section of our website will be updated during 2018 to include details of the outcome of all votes, historical annual reports and other governance-related materials, including notices of all general meetings over the last five years.</p>