

# **UTAH MEDICAL PRODUCTS, INC.**

## **Compensation and Benefits Committee**

### **COMPOSITION**

The compensation and benefits committee shall be composed of all directors who are: (a) independent directors as determined under the rules of the principal exchange on which the Company's equity securities are traded; (b) "non-employee directors," as defined in Rule 16b-3 under the Securities Exchange Act of 1934; and (c) "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code.

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

In performing its responsibilities, the compensation and benefits committee is specifically empowered to gather such facts as it deems necessary, with full access to the Company's books, records, facilities, and personnel, and is specifically authorized to engage and obligate the Company to compensate compensation consultants, independent counsel, and other compensation advisers, and to incur administrative expenses, as it deems necessary. Any communications between compensation and benefits committee members and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the compensation and benefits committee, and its members will take steps recommended by such counsel to preserve the privileged nature of those communications.

### **MISSION**

The mission of the compensation and benefits committee shall be to develop and approve compensation programs that enhance the Company's ability to recruit and retain qualified executives and other personnel and develop and approve equity and other programs that create long-term incentive for executive management and key employees by enabling them to acquire an equity stake in the Company.

### **RESPONSIBILITIES**

The compensation and benefits committee shall carry out the identified responsibilities in each of the following areas:

- review and recommend to the board of directors the amount and manner of compensation of the chief executive officer for final determination by the board of directors. The chief executive officer may not be present during voting or deliberations on the chief executive officer's compensation;
- consider the recommendations of the chief executive officer respecting the amount and manner of compensation of the other executive officers and recommend to the board of

directors the amount and manner of compensation for such executive officers for final determination by the board of directors;

- consult with the chief executive officer respecting the amount and manner of compensation for other executive-level personnel;
- counsel the chief executive officer in personnel matters, management organization, long-range management succession planning, and executive development and motivation;
- support an employment environment of equal opportunity without regard to discrimination on the basis of age, race, religion, sex, or national origin;
- review and discuss for inclusion in the Company's proxy or information statement for its annual shareholders' meeting the "Compensation Discussion and Analysis" disclosure as well as its annual report of the compensation and benefits committee's compensation policies applicable to executive officers, including the specific relationship of corporate performance to executive compensation;
- develop and administer the Company's equity incentive plans for executive officers and other employees and either recommend to the board of directors awards under such plans or, upon the further delegation of the board of directors, make awards under such plans;
- advise the board of directors respecting compensation for non-executive directors;
- regularly review and recommend to the board of directors changes to the compensation and benefits committee charter;
- appoint and remove third-party administrators for plans that the Company may adopt;
- review and approve written agreements relating to terms of employment of executive officers, including change of control and termination agreements;
- adopt a policy addressing "clawback" of compensation consistent with the regulations and rules of any national securities exchange or national securities association on which the Company's securities are traded; and
- take such further action as necessary to comply with all applicable requirements of law and related regulations and the rules of any national securities exchange or national securities association on which the Company's securities are traded, whether or not this charter is amended or supplemented to specifically address such further requirements.

The compensation and benefits committee shall have the authority to:

- retain and terminate outside counsel, compensation 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 compensation and benefits 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 compensation and benefits committee, *provided* that no subcommittee shall have authority to make equity incentive awards unless it consists of at least two members;
- 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 compensation and benefits committee will meet periodically as necessary to act upon any matter within its jurisdiction. A majority of the total number of members of the compensation and benefits committee shall constitute a quorum at all compensation and benefits committee meetings. All meetings shall be held subject to and in accordance with Section 3.13 (including notice, quorum, and vote/actions of the compensation and benefits committee) and other applicable sections of the Company's bylaws.

The compensation and benefits committee will cause to be kept adequate minutes of its proceedings and will report on its actions and activities at the next regularly scheduled meeting of the board of directors. Compensation and benefits committee members will be provided with copies of all compensation and benefits committee minutes and unanimous written consents. The Company shall pay necessary and appropriate administrative expenses of the compensation and benefits committee.

The compensation and benefits committee shall meet periodically in executive session without Company management present.

### **EDUCATION**

The Company is responsible for providing new members of the compensation and benefits committee with appropriate orientation briefings and educational opportunities and all members with educational resources related to the compensation and benefits committee's purpose, responsibilities, and other matters as may be requested by the compensation and benefits committee.