

MEDAIRE, INC

Board Charter and Relationship with Management

1. Introduction

This charter is intended as a tool to assist directors in fulfilling their responsibilities as Board members. It is qualified in its entirety by the Company's Articles and Bylaws and the body of law governing the Company. It is not an attempt to limit, enlarge or change in any way the responsibilities of the directors as determined by such Articles, Bylaws and body of law.

The Board of the Company is responsible for the Company's performance including the corporate governance. It delegates its responsibility to the CEO (subject to prudent limits), but maintains overall responsibility for strategic direction and performance of the Company to protect and enhance shareholder value.

2. Composition

The Board should be composed of up to nine directors, made up of a majority of independent directors, a Chairperson and the CEO.

3. Role of the Board

- Overseeing and appraising the strategies, policies, and performance of the Company. This includes reviewing the financial and human resources the Company has in place to meet its objectives, and reviewing management performance.
- Providing entrepreneurial leadership within a framework of effective controls which enable risk to be assessed and managed.
- Setting the Company's values and standards, including reviewing procedures in place to ensure compliance with laws and the establishment and observance of high ethical standards.
- Ensuring that shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

4. Responsibilities of the Board

4.1 Responsibilities/functions of the Board include:

- a) Selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and

planning for the successor of, the Chief Executive Officer (“CEO”)

- b) Monitoring the performance of, and succession planning for, senior management. This includes ratifying the appointment and the removal of the CFO.
- c) Establishing, monitoring and modifying corporate strategy, including setting performance objectives and approving operating budgets;
- d) Ensuring that appropriate risk management and internal control and ethical and legal compliance systems are in place and are operating effectively;
- e) Monitoring corporate performance and implementation of strategy and policy;
- f) Approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- g) Monitoring and reviewing management processes in place aimed at ensuring the integrity of financial and other reporting; and
- h) Performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director, employee or other person subject to ultimate responsibility of the directors.

4.2 Matters which are specifically reserved for the Board or its committees including the following:

- a) Appointment of a Chairperson;
- b) Appointment and removal of the CEO;
- c) Appointment of a director to fill a vacancy or as an additional director;
- d) Establishment of Board committees, their membership and delegated authorities;
- e) Approval of dividends;
- f) Development of corporate governance principles and policies;
- g) Approval of major capital expenditures, acquisitions and divestitures in excess of authority levels delegated to management;
- h) Calling of meetings of shareholders; and

Any other specific matters nominated by the Board from time to time.

5. Relationship with Management

- It is fundamental that management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. It follows that Directors are entitled to request additional information at any time when they consider it appropriate.
- Ultimate responsibility for management and control rests with the Directors.
- It is contemplated that .at least twice each year, in conjunction with regularly scheduled Board meetings, the Board will hold an executive session at which only those Directors who are "independent" within the meaning of currently applicable rules of the Securities Exchange Act of 1934 and the listing standards of The Nasdaq Stock Market are present.
- Directors may delegate their powers as they consider it appropriate.
- The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom management function is properly delegated by the CEO).
- The Board approves corporate objectives for the CEO to meet and jointly with the CEO develops the duties and responsibilities of the CEO.
- Where a director seeks to provide information about business opportunities or introductions to the Company, this should be done through the CEO with the Chairperson also being informed.
- Directors will conform to the Board's agreed performance criteria for directors.
- Potential conflicts of interest by Directors will be reported to the Board and if necessary, interested Directors may be excluded from discussion of the relevant matter and will not vote on that matter.
- Directors will provide to the Company details of their shareholdings in the Company and any changes.
- Directors will cooperate with the Nominations Committee as necessary or desirable to facilitate that committee's functions.

6. Shareholder Communications

- Shareholders who wish to communicate with the Board, the independent Directors or any individual Director may do so by sending a letter to the Secretary of the Company at 80 E. Rio Salado Parkway, Suite 610, Tempe, AZ 85281. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Shareholder-Board Communication". The Secretary has been authorized to screen commercial solicitations and materials which pose security risks, are unrelated to the business or governance of the Company, or are otherwise inappropriate. All such letters must identify the author as a shareholder and clearly state whether the intended recipients are all or individual members of the Board. The Secretary will make copies of all such letters and circulate them to the appropriate Director or Directors.

7. Review of Charter

This Charter shall be reviewed by the Board at least annually and modified as the Board deems necessary or desirable in the best interests of the Company and its stockholders.