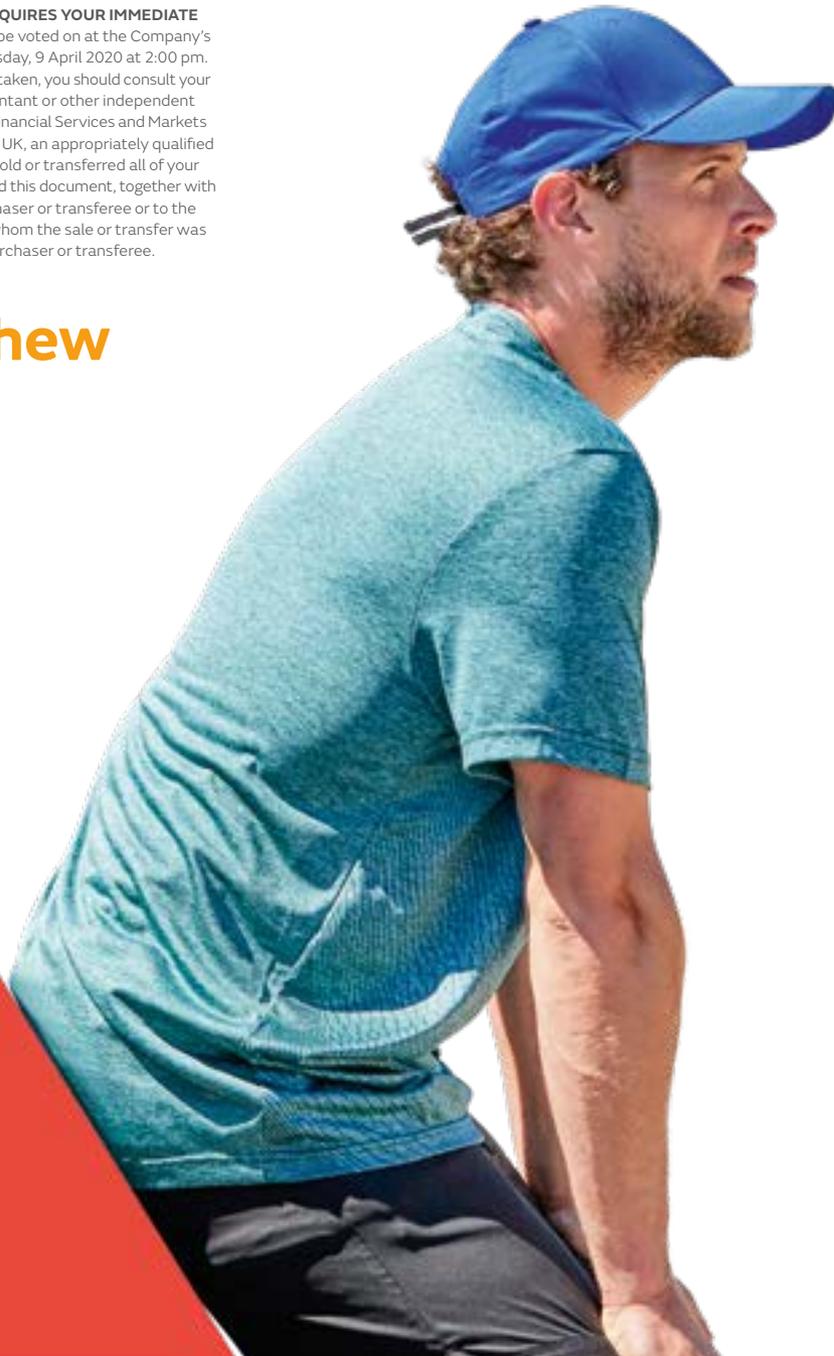


Notice of Annual General Meeting

Thursday, 9 April 2020 at 2:00 pm
No. 11 Cavendish Square,
London W1G 0AN

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the Company's Annual General Meeting to be held on Thursday, 9 April 2020 at 2:00 pm. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (or, if you are resident outside the UK, an appropriately qualified independent financial adviser). If you have sold or transferred all of your shares in Smith & Nephew plc please forward this document, together with the accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was arranged for onward transmission to the purchaser or transferee.

Smith+Nephew



Chair's letter

Dear Shareholder

Annual General Meeting 2020

The Annual General Meeting for 2020 (the 'AGM') of Smith & Nephew plc (the 'Company') is to be held on Thursday, 9 April 2020, at No.11 Cavendish Square, London W1G 0AN (see the map on the back cover for your reference). The meeting will commence at 2:00 pm. The doors will open at 1:00 pm after which time refreshments will be available. Notice of the AGM ('Notice of Meeting') is contained on pages 3–5 of this document. In addition to the resolutions that we regularly bring to shareholders at our Annual General Meetings, the business of the meeting includes resolutions proposing the adoption of the new Directors Remuneration Policy and the adoption of the Smith & Nephew Global Share Plan 2020. A detailed explanation of the business to be conducted at the meeting can be found on pages 6–12.

Directors

In accordance with the UK Corporate Governance Code 2018 (the 'Code'), all directors of the Company (the 'Directors') will stand for re-election at the AGM. Accordingly, as part of the ordinary business of the meeting, resolutions 5 to 13 inclusive are to re-elect Directors. Biographical details of the Directors together with the importance of their contribution to the success of the Company and the reasons for their re-election are included in the explanatory notes to the Notice of Meeting. Following formal performance evaluations, the Board of Directors of the Company (the 'Board') has concluded that each of the Directors proposed to be re-elected at the AGM continues to be effective and to demonstrate commitment to their respective roles.

Since the last AGM, and as announced on 21 October 2019, the Board has appointed Roland Diggelmann as an Executive Director and the new Chief Executive Officer ('CEO') of the Company with effect from 1 November 2019. Roland joined the Company's Board as a Non-Executive Director in March 2018, since then he has gained deep insight into the Company and its management team. Roland spent 12 years in medical technology at Zimmer Group (now Zimmer Biomet) in the role of Managing Director of Zimmer Japan and then later as Senior Vice President, EMEA. The next 10 years of his career were spent at Roche where he was both Managing Director of Asia Pacific and CEO of Diagnostics. Here he led 34,000 people to beat market growth over a ten-year period in medical diagnostics.

As previously announced, Namal Nawana stood down from the Board as CEO on 31 October 2019.

Remuneration Policy

Resolution 2 proposes the approval of the Directors' Remuneration Policy, which describes the Company's policy relating to the Directors' remuneration. We consulted with the holders of nearly 50% of our shares and the three major Proxy Advisers: the Investment Association, ISS and Glass Lewis. We aim, from that consultation, to have addressed not only their concerns, but also any disclosure issues on pages 86–120 of the Remuneration Report, set out in the Company's Annual Report for the financial year ended 31 December 2019.

Share Plans

Resolution 16 proposes the adoption of the Smith & Nephew Global Share Plan 2020 (the 'Plan'). It is intended that this Plan will replace the existing Smith & Nephew Global Share Plan 2010 (the 'Old Plan'), but is in effect an updated version of the Old Plan. Further information is provided in explanatory note for resolution 16 and a summary explaining any differences between how the Plan will work in comparison to the Old Plan is included on pages 15–17 of this document as Appendix 1.

Recommendations

The Board recommends voting in favour of all the resolutions proposed as, in the Board's opinion, all resolutions are in the best interests of the Company and its shareholders as a whole.

We look forward to seeing you at the AGM. If you are not able to come to the meeting in person, your vote is still important to us and I would urge you to register your proxy appointment electronically via our Registrar's website at www.investorcentre.co.uk/eproxy by 2:00 pm on Tuesday, 7 April 2020 or by returning the enclosed Form of Proxy in accordance with the instructions printed thereon.

Yours sincerely,



Roberto Quarta
Chair

20 February 2020



Notice of Meeting

Notice is hereby given that the eighty-third Annual General Meeting of the members of Smith & Nephew plc will be held on Thursday, 9 April 2020 at 2:00 pm at No.11 Cavendish Square, London W1G 0AN, to consider and, if thought fit, to pass the following resolutions. Voting on all resolutions will be by way of a poll.

All resolutions will be proposed as ordinary resolutions, save for resolutions 18, 19, 20 and 21 which will be proposed as special resolutions.

Ordinary resolutions

1. To receive the audited accounts for the financial year ended 31 December 2019 together with the reports of the Directors and the Auditor thereon (together the '2019 Annual Report').
2. To approve the Directors' Remuneration Policy in the form set out in the Directors' Remuneration Report in the Company's 2019 Annual Report (pages 90–100 of the 2019 Annual Report).
3. To approve the Directors' Remuneration Report, other than the part containing the Directors' Remuneration Policy, in the form set out in the Company's Annual Report for the financial year ended 31 December 2019 (pages 86–120 of the 2019 Annual Report).
4. To declare a final dividend recommended by the Directors of 23.10 US cents per ordinary share in respect of the year ended 31 December 2019 payable on 6 May 2020 to shareholders on the register of the Company at the close of business on 3 April 2020.
5. To re-elect Graham Baker as a Director of the Company.
6. To re-elect Vinita Bali as a Director of the Company.
7. To re-elect The Rt. Hon Baroness Virginia Bottomley of Nettlestone DL as a Director of the Company.
8. To re-elect Roland Diggelmann as a Director of the Company.
9. To re-elect Erik Engstrom as a Director of the Company.
10. To re-elect Robin Freestone as a Director of the Company.
11. To re-elect Marc Owen as a Director of the Company.
12. To re-elect Angie Risley as a Director of the Company.
13. To re-elect Roberto Quarta as a Director of the Company.
14. To re-appoint KPMG LLP as the Auditor of the Company.
15. To authorise the Directors to determine the remuneration of the Auditor of the Company.
16. That:
 - (a) the Smith & Nephew Global Share Plan 2020 (the 'Plan'), a copy of the rules of which has been produced to the meeting and initialled by the Chair for the purposes of identification and a summary of the main provisions of which is set out in Appendix 1 to the Notice of Meeting dated 20 February 2020, be and is hereby approved and established; and
 - (b) the Directors be and are hereby authorised to establish other plans based on the Plan but modified to take account of local tax, exchange control and securities laws, provided that any shares issued or which might be issued under such other plans are treated as counting against the overall limitations on the issue of new shares as set out in the Plan.
17. To:
 - (a) renew the authorisation of the Directors generally and unconditionally pursuant to section 551 of the Companies Act 2006 (the 'Act'), and as permitted by the Company's Articles of Association, to exercise all their powers to allot shares in the Company and to grant rights to subscribe for, or to convert any security into shares in the Company:
 - (i) up to an aggregate nominal amount of US\$58,347,304 – in accordance with sections 551(3) and (6) of the Act. This amount represents no more than 33.33 percent (i.e. one-third) of the Company's issued share capital (excluding treasury shares) as at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting); and
 - (ii) comprising equity securities (as defined in section 560 of the Act) in the Company up to a nominal amount of US\$116,694,609 (such amount to be reduced by any allotments or grants made under paragraph (a)(i) above) in connection with an offer by way of a rights issue:
 - a. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - b. to holders of other equity securities as required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

Notice of Meeting continued

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter. This amount represents no more than 66.66 percent (i.e. two-thirds) of the Company's issued share capital (excluding treasury shares) as at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting); and

- (b) revoke all existing authorities given to the Directors pursuant to section 551 of the Act, provided that such revocation shall be without prejudice to the continuing authority of the Directors to allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made. The authorisations pursuant to paragraph (a) above shall expire at the conclusion of the Annual General Meeting of the Company in 2021 or at the close of business on 8 July 2021, whichever is earlier (unless the resolution is previously renewed, varied or revoked by the Company in a General Meeting). However, if the Company, before such authority expires, makes any offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after this authority expires, the Directors may allot such shares and grant rights to subscribe for or to convert any security into shares in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.

Special resolutions

18. That, subject to the passing of resolution 17, and in place of all existing powers given to them (but without prejudice to the continuing power of the Directors pursuant to an offer or agreement made by the Company before the expiry of the power pursuant to which such offer or agreement was made), the Directors be and are hereby generally given power, pursuant to sections 570(1) and 573 of the Act, to allot equity securities (as defined in section 560 of the Act) in the Company for cash, either pursuant to the authority granted by resolution 17 and/or through the sale of treasury shares, as if section 561(1) of that Act did not apply to any such allotment or sale, provided such power:

- (a) shall be limited to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (a)(ii) of resolution 17, by way of a rights issue only) to:

- (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) holders of other equity securities as required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

- (b) shall be limited, in the case of the authority granted under paragraph (a)(i) of resolution 17 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares for cash otherwise than pursuant to paragraph (a) above up to an aggregate nominal amount of US\$8,752,095, which is no more than 5 percent of the issued share capital (excluding treasury shares) of the Company at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting); and

- (c) shall apply until the conclusion of the Annual General Meeting of the Company in 2021 or at the close of business on 8 July 2021, whichever is earlier (unless the resolution is previously renewed, varied or revoked by the Company in a General Meeting). In each case, prior to its expiry the Company may make an offer or agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after this power ends and the Directors may allot equity securities (and sell treasury shares) in pursuance of any such offer or agreement as if this power had not expired.

19. That, subject to the passing of resolution 17, the Directors be and are hereby generally given the power, in addition to any power granted pursuant to resolution 18, to allot equity securities (as defined in section 560 of the Act) in the Company for cash under the authority given by paragraph (a)(i) of that resolution 17 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, provided such power:

- (a) shall be limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of US\$8,752,095, which is no more than 5 percent of the issued share capital (excluding treasury shares) of the Company at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting); and
- (b) used only for the purposes of financing a transaction which the Directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice of Meeting, or for the purposes of refinancing such a transaction within six months of its taking place; and

- (c) shall apply until the conclusion of the Annual General Meeting of the Company in 2021 or at the close of business on 8 July 2021, whichever is earlier (unless the resolution is previously renewed, varied or revoked by the Company in a General Meeting). In each case, prior to its expiry the Company may make an offer or agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after this power expires and the Directors may allot equity securities (and sell treasury shares) in pursuance of any such offer or agreement as if this power had not expired.
20. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares of 20 US cents each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes of its employee share plans, provided that:
- (a) the maximum number of ordinary shares which may be purchased is 87,520,957 representing approximately 10 percent of the issued ordinary share capital (excluding treasury shares) of the Company as at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting);
 - (b) the minimum price that may be paid for each ordinary share is 20 US cents which amount is exclusive of expenses, if any;
 - (c) the maximum price (exclusive of expenses) that may be paid for each ordinary share is an amount equal to the higher of: (i) 105 percent of the average of the middle market quotations of an ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange plc for the 5 business days immediately preceding the day on which such share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out;
 - (d) unless previously renewed, varied or revoked by the Company at a General Meeting, this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2021 or at the close of business on 8 July 2021, whichever is the earlier; and
 - (e) the Company may, before this authority expires, make a contract to purchase ordinary shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.
21. That a General Meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

By order of the Board, 20 February 2020.

Susan M Swabey

Susan Swabey
Company Secretary

Registered office
Building 5, Croxley Park
Hatters Lane, Watford
Hertfordshire WD18 8YE

Registered in England and Wales
No. 324357

Explanatory notes

The notes on the following pages explain the proposed resolutions.

Resolutions 1 to 17 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 18 to 21 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Voting at the AGM will be by way of a poll, rather than on a show of hands. This is a more transparent method of voting as shareholder votes are counted according to the number of shares held and this will ensure an exact and definitive result.

Resolution 1: Report and accounts

This is a standard and necessary resolution common to all Annual General Meetings.

Resolution 2 and 3: Directors' Remuneration Policy and Report

The Directors' Remuneration Policy, which describes the Company's policy relating to the Directors' remuneration, is set out on pages 90–100 of the 2019 Annual Report. This policy is subject to a binding shareholder vote by ordinary resolution at least every three years and will therefore be put to shareholders at the AGM (resolution 2).

All UK-listed companies are required to put their Directors' Remuneration Report to shareholders. The full Directors' Remuneration Report can be found on pages 86–120 of the 2019 Annual Report. It gives details of your Directors' remuneration for the financial year ended 31 December 2019 and sets out the way in which the Company will implement its policy on Directors' remuneration in 2020. The Auditor has audited those parts of the Directors' Remuneration Report capable of being audited and their report may be found on pages 123–129 of the 2019 Annual Report.

The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and, accordingly, and in compliance with the legislation, shareholders will be invited to approve the Directors' Remuneration Report (resolution 3).

The vote on the Directors' Remuneration Report is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed.

Resolution 4: Dividend

The proposed dividend is declared as a final dividend and, as such, is dependent on shareholder approval. Please note that following shareholder approval on 11 April 2019, this dividend and all future dividends will no longer be paid by cheque. If you currently receive your dividends by cheque you will need to provide the Company's Registrar, Computershare (details noted on this page), with your alternative dividend payment instruction as soon as possible, but in no case later than 3 April 2020.

Computershare Investor Centre
The Pavilions
Bridgwater Road
Bristol
United Kingdom
BS99 6ZZ

Telephone 0370 703 0047
or +44 (0)117 378 5450
(if calling from outside the UK).

Lines open 8:30 am to 5:30 pm (UK time),
Monday to Friday (excluding public holidays
in England and Wales).

Resolutions 5 to 13: Re-election of Directors

Under the Company's Articles of Association (the 'Articles') and, in accordance with the Code, Directors appointed by the Board are required to submit themselves for election at the first Annual General Meeting following their appointment and each Director retires from office at the date of the Notice of the Annual General Meeting and is subject to re-election. A retiring Director retains office until the meeting appoints someone in his/her place, or, if it does not do so, until the conclusion of the meeting.

The Board has reviewed the independence of each Non-Executive member of the Board and determined that they are each independent from management. The Board has also formally reviewed the performance of each Director and determined that they each continue to perform effectively and make an effective contribution to the work of the Board and to demonstrate commitment to the role, including commitment of time for the Board and the relevant committee meetings and all other applicable duties. As part of this, the Board has deemed that each Director's contribution continues to be important to the Company's long-term sustainable success and recommends that all Directors standing for re-election should be re-appointed for a further year.

The Board therefore proposes the re-election of all Directors. Biographical details for each of the Directors together with an explanation of the importance of their contribution to the Company and the reasons for their re-election are now given as follows.

Committee key

- A** Member of the Audit Committee
- C** Member of the Compliance & Culture Committee
- N** Member of the Nomination & Governance Committee
- R** Member of the Remuneration Committee
- Committee Chair

1. Graham Baker (51)

Chief Financial Officer

Appointed in March 2017.
Graham is based in Watford, UK.

Career and experience

Graham holds an MA degree in Economics from Cambridge University and qualified as a Chartered Accountant and Chartered Tax Adviser with Arthur Andersen. In 1995, he joined AstraZeneca PLC where he worked for 20 years, holding multiple senior roles, including Vice President Finance & Chief Financial Officer, North America (2008–2010), Vice President, Global Financial Services (2010–2013) and Vice President, Finance, International (2013–2015 with responsibility for all emerging markets. Most recently, Graham was Chief Financial Officer of generic pharmaceuticals company Alvogen.

Other current appointments

- N/A.

Importance of contribution to the Company and reasons for re-election

Graham has deep sector knowledge and has had extensive exposure to established and emerging markets which is extremely relevant to his role at Smith+Nephew. He has a strong track record of delivering operational excellence and has relevant experience across major finance roles and geographic markets, leading large teams responsible for significant budgets.

Nationality

 British

2. Vinita Bali (64)



Independent Non-Executive Director

Appointed in December 2014.

Career and experience

Vinita holds an MBA from the Jamnalal Bajaj Institute of Management Studies, University of Bombay and a BA in Economics from the University of Delhi. She commenced her career in India with a Tata Group Company, and then joined Cadbury India, subsequently working with Cadbury Schweppes plc in the UK, Nigeria and South Africa. She has also held a number of senior global positions in marketing and general management at The Coca-Cola Company based in the US and South America, becoming President of the Andean Division in 1999 and VP, Corporate Strategy in 2001. In 2003, she joined Zyman Group, LLC, a US-based consultancy, as Managing Principal. Vinita was MD and CEO of Britannia Industries Limited, a leading Indian publicly listed food company from 2005 to 2014.

Other current appointments

- NED of Syngene International Limited.
- NED of Bunge Limited.
- NED of CRISIL India (a Standard & Poor Company).
- Member of the Advisory Board of PwC India.
- NED of Cognizant Technology Solutions Corporation.

Importance of contribution to the Company and reasons for re-election

Vinita has an impressive track record of achievement with blue-chip global corporations in multiple roles and multiple geographies including India, Africa, South America, US and UK, all key markets for Smith+Nephew. Her CEO experience together with strong appreciation of customer service and marketing adds deep insight as Smith+Nephew continues to develop innovative ways to serve our markets and grow our business.

Nationality

 Indian



Explanatory notes continued

3. The Rt. Hon Baroness Virginia Bottomley of Nettlestone DL (71)



Independent Non-Executive Director
Appointed in April 2012.

Virginia has been a Member of the Compliance & Culture Committee since April 2019.

Career and experience

Virginia gained her MSc in Social Administration from the London School of Economics following her first degree. She was appointed a Life Peer in 2005 following her career as a Member of Parliament between 1984 and 2005. She served successively as Secretary of State for Health and then Culture, Media and Sport. Virginia was formerly a Director of Bupa and AkzoNobel NV.

Other current appointments

- Director of International Resources Group Limited, where she is Chair of Board & CEO Practice at Odgers Berndtson.
- Member of the International Advisory Council of Chugai Pharmaceutical Co.
- Chancellor of University of Hull.
- Sheriff of Kingston upon Hull.
- Trustee of The Economist Newspaper.

Importance of contribution to the Company and reasons for re-election

Virginia's extensive experience within Government, particularly as Secretary of State for Health, brings a unique insight into the healthcare system both in the UK and globally, whilst her experience on the board of Bupa brings an understanding of the private healthcare sector and an insight into the needs of our customers. Her experience running the board practice at a search firm gives her a valuable skillset as a member of the Nomination & Governance Committee and Remuneration Committee. Her long association with Hull, the home of many of our UK employees, also brings an added perspective.

Nationality

British

4. Roland Diggelmann (52)

Chief Executive Officer

Appointed Independent Non-Executive Director and Member of the Audit Committee on 1 March 2018 until 21 October 2019, when the Company announced Roland would be appointed Chief Executive Officer with effect from 1 November 2019. He was re-elected by shareholders at the 2019 Annual General Meeting (AGM) and will stand for re-election as Chief Executive Officer at the AGM on 9 April 2020. Roland is based in Zug, Switzerland.

Career and experience

Roland studied Business Administration at the University of Berne. In 1995, he joined Sulzer Medica AG as Manager Strategic Planning and progressed into further senior roles over the years until his appointment as Executive Vice President, Sales Europe and Asia Pacific from 2002 to 2004 for Sulzer Medica AG (later known as Centerpulse).

Roland joined Zimmer Group in 2004, in the role of Managing Director of Zimmer Japan and then later in 2006 as Senior Vice President, EMEA until 2008. Roland joined Roche Diagnostics in 2008 starting as president of Asia Pacific before assuming the role of Chief Executive Officer of the Diagnostics Division of F. Hoffmann-La Roche Ltd from 2012 until September 2018.

Other current appointments

- Director of Igenomix.
- Director of HeartForce AG.
- Director of Accelerate Diagnostics, Inc., which is listed on NASDAQ (Nasdaq: AXDX).

Importance of contribution to the Company and reasons for re-election

Having spent his whole career in medical devices, with 12 years at Sulzer and Zimmer, Roland brings an in-depth knowledge of the medical device industry and healthcare environment, which is of great value to Smith+Nephew.

Nationality

Swiss

5. Erik Engstrom (56)



Independent Non-Executive Director

Appointed in January 2015.

Career and experience

Erik is a graduate of the Stockholm School of Economics (BSc) and of the Royal Institute of Technology in Stockholm (MSc). In 1988, he graduated with an MBA from Harvard Business School as a Fulbright Scholar. Erik commenced his career at McKinsey & Company and then worked in publishing, latterly as President and COO of Random House Inc. and as President and CEO of Bantam Doubleday Dell, North America. In 2001, he moved on to be a partner at General Atlantic Partners, a private equity investment firm. Between 2004 and 2009, he was CEO of Elsevier, the division specialising in scientific and medical information and then from 2009 CEO of RELX Group.

Other current appointments

- Member of Bonnier Group's Board.
- CEO of RELX Group.

Importance of contribution to the Company and reasons for re-election

Erik has successfully reshaped RELX Group's business in terms of portfolio and geographies. He brings a deep understanding of how technology can be used to transform a business and insight into the development of new commercial models that deliver attractive economics. His experience as a CEO of a global company gives him valuable insights as a member of our Audit and Nomination & Governance Committees.

Nationality

Swedish



6. Robin Freestone (61)



Independent Non-Executive Director

Appointed in September 2015.

Robin was appointed Senior Independent Director following the Annual General Meeting on 11 April 2019.

Career and experience

Robin graduated with a BA in Economics from The University of Manchester and later qualified and commenced his career as a Chartered Accountant at Deloitte. He has held a number of senior financial positions throughout his career, including at ICI plc, Henkel Ltd and at Amersham plc. Robin was the Deputy CFO and then later the CFO of Pearson plc between 2006 and August 2015, where he was heavily involved with the transformation and diversification of Pearson. He was previously NED at eChem Ltd, Chair of the 100 Group and Senior Independent Director and Chair of the Audit Committee of Cable & Wireless Communications plc. Robin was also previously Chair of the Audit Committee of MoneySupermarket.com plc.

Other current appointments

- NED and Chair of the Audit Committee at Capri Holdings Ltd, (formerly Michael Kors Holdings Ltd).
- Chair of the ICAEW Corporate Governance Committee.
- Chair of the Board at MoneySupermarket.com plc as well as Chair of their Nomination Committee.

Importance of contribution to the Company and reasons for re-election

Robin has been a well-regarded FTSE 100 CFO who has not only been heavily involved with transformation and diversification, but also the healthcare industry at Amersham, where his acquisition experience is of value to Smith+Nephew as it continues to grow globally and in different markets. He brings financial expertise and insight as Chair of the Audit Committee and an understanding of how to attract and retain talent in a global business as a member of the Remuneration Committee.

Nationality

British

7. Marc Owen (60)



Independent Non-Executive Director

Appointed in October 2017.

Appointed Chair of the Compliance & Culture Committee in April 2019.

Career and experience

Marc graduated from Oxford University with a BA and BCL in Law. In 1984 he was called to the Bar, following four years at Corpus Christi College Cambridge as a fellow and director of studies in law. He decided upon a corporate career and undertook an MBA at Stanford University. Marc commenced his healthcare and technology career at McKinsey & Company where he progressed to senior partner and eventually a founding partner of McKinsey's Business Technology Office. In September 2001, Marc joined McKesson Corporation and served as Executive Vice President and member of the Executive Committee. He delivered strategic objectives and led over 40 acquisitions and divestments over a 10-year period. In late 2011 he headed McKesson Speciality Health, which operates over 130 cancer centres across the US and provides services including market intelligence, supply chain services, patient access to therapy, provider and patient engagement and clinical trial support. His final executive role came in 2014 where he was appointed Chair of the European Management Board at Celesio AG. He retired in March 2017 once he had improved operations, set the strategy and recruited his successor.

Other current appointments

- N/A.

Importance of contribution to the Company and reasons for re-election

Marc is a proven leader with an astute, strategic vision, capable of building significant international healthcare businesses. He has strong commercial healthcare expertise, which the Board values deeply and makes him ideally placed to Chair the Compliance & Culture Committee.

Nationality

British

8. Angie Risley (61)



Independent Non-Executive Director

Appointed in September 2017.

Career and experience

After graduating from Exeter University, Angie joined United Biscuits followed by Pizza Hut (UK) Ltd as Human Resources Director, a joint venture between PepsiCo and Whitbread plc. After five years she joined Whitbread, becoming Executive Director on the plc board responsible for HR and Corporate Social Responsibility in 2004. Between 2007–2013 she was the Group HR Director for Lloyds Banking Group, joining J Sainsbury plc as Group HRD and a member of their Operating Board in January 2013. Over the years, Angie has been a member of the Low Pay Commission and has held a number of Non-Executive Directorships with Biffa plc, Arriva and Serco Group plc, and now Smith+Nephew. At Serco she was the Chair of the Remuneration Committee. Previously she has attended Remuneration Committees of Whitbread, Lloyds Banking Group, Arriva and now J Sainsbury plc.

Other current appointments

- J Sainsbury plc Group HRD and member of their Operating Board.

Importance of contribution to the Company and reasons for re-election

Angie is a well-regarded FTSE 100 Human Resources Director, proven Non-Executive Director and Remuneration Committee Chair. She has gained experience in a wide range of sectors, including a regulated environment. This diversity of experience is welcomed by the Board and the Remuneration Committee. Angie is also an additional resource and sounding board for Smith+Nephew's own internal Human Resources function.

Nationality

British



Explanatory notes continued

9. Roberto Quarta (70)

Chair

Joined the Board in December 2013 and appointed Chair following election by shareholders at the 2014 Annual General Meeting.

Career and experience

Roberto is a graduate and a former Trustee of the College of the Holy Cross, Worcester (MA), US. He started his career as a manager trainee at David Gessner Ltd, before moving on to Worcester Controls Corporation and then BTR plc, where he was a divisional Chief Executive. Between 1985 and 1989 he was Executive VP of Hitchiner Manufacturing Co., Inc. He returned to BTR plc in 1989 as Divisional Chief Executive, where he was appointed to the main board. From here he moved to BBA Aviation plc, as CEO and then as Chair, until 2007. In 2001, he joined Clayton Dubilier & Rice (CD&R) as Partner and is currently Chair of CD&R Europe.

He has held several board positions, including Non-Executive Director of Powergen plc, Equant N.V., BAE Systems plc and Foster Wheeler AG. His previous Chairmanships include Italtel SpA, Rexel S.A., IMI plc and SPIE SA. Roberto was also a former member of the Investment Committee of Fondo Strategico Italiano S.p.A.

Other current appointments

- Chair of WPP plc.
- Partner at CD&R.
- Chair of CD&R Europe.



Importance of contribution to the Company and reasons for re-election

Roberto's career in private equity brings valuable experience to Smith+Nephew, particularly when evaluating acquisitions and new business opportunities. He has an in-depth understanding of differing global governance requirements having served as a director and chair of a number of UK and international companies.

Since his appointment as Chair in April 2014, he has conducted a comprehensive review into the composition of the Board and its Committees, and conducted the search for new Non-Executive Directors, resulting in the appointment of Vinita Bali in 2014, Erik Engstrom and Robin Freestone in 2015, Angie Risley and Marc Owen during 2017, and Roland Diggelmann in 2018. Roberto also conducted the search resulting in the appointment of Namal Nawana as our CEO in 2018.

Nationality

 American/Italian



Resolutions 14 and 15: Appointment and remuneration of the Auditor

The Auditor of the Company must be appointed at each General Meeting at which accounts are laid. Resolution 14 proposes the re-appointment of KPMG LLP as the Company's Auditor to hold office from the conclusion of this meeting until the conclusion of the next General Meeting at which the accounts are laid before the Company.

Resolution 15 proposes that the Auditor's remuneration be determined by the Directors. The Board will delegate this authority to the Audit Committee pursuant to and in accordance with the Competition and Markets Authority Audit Order 2014.

Resolution 16: Approval of the Global Share Plan 2020

Resolution 16 proposes the approval of the Smith & Nephew Global Share Plan 2020 (the 'Plan'). Shareholder approval is sought for the approval of the Plan at the AGM to ensure that the Company has the appropriate share incentives and that they operate consistently with the new Directors' Remuneration Policy, for which shareholder approval is also being sought. No new Awards will be made under the existing Smith & Nephew Global Share Plan 2010 (the 'Old Plan') which expires in 2020 after the date of the AGM.

It is intended that the Plan will be a continuation of the Old Plan which expires in 2020. There are no material differences between the Old Plan and the Plan save for the following changes:

1. extended malus and clawback provisions;
2. Remuneration Committee (the 'Committee') discretion to reduce the size of an Award if the Committee considers that the Award would be unjustified and/or unfair in the circumstances (regardless of whether malus exists); and
3. the normal maximum individual limit will remain as with the Old Plan at three times basic annual salary, but the Plan will give the Committee the discretion to increase the maximum individual limit to four times basic annual salary in exceptional circumstances.

The Plan reflects the proposed new Director's Remuneration Policy. The principal features of the Plan are described in Appendix 1 to this Notice of Meeting.

Resolution 17: General authority to allot shares

Under section 551 of the Act, the Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders. The section 551 authority conferred on the Directors at last year's Annual General Meeting expires on the date of the AGM.

Paragraph (a)(i) of resolution 17 seeks to renew the Directors' general authority to allot shares up to an aggregate nominal amount of US\$58,347,304 as permitted by the Articles and pursuant to the provisions of section 551 of the Act. This amount represents no more than 33.33 percent (i.e. one-third) of the Company's issued share capital (excluding treasury shares) as at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting).

Paragraph (a)(ii) of resolution 17 would give the Directors authority to allot shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue in favour of shareholders up to an aggregate nominal amount equal to US\$116,694,609 (representing 583,473,047 shares), as reduced by the nominal amount of any shares issued under paragraph (a)(i) of the resolution). This amount (before any reduction) represents no more than two-thirds of the issued ordinary share capital (excluding treasury shares) of the Company as at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting).

Resolution 17 will be proposed as an ordinary resolution. Other than in connection with the Company's various share-based plans for senior executives and employees, the Board has no present intention of allotting any of these shares but considers it prudent to maintain the flexibility that this authority provides.

The authorities sought under this resolution will expire at the conclusion of the Annual General Meeting in 2021 or at the close of business on 8 July 2021, whichever is the earlier (unless previously renewed, varied or revoked by the Company in a General Meeting). At 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting), the Company held 10,067,598 ordinary shares in treasury. This amount represents 1.15 percent of the Company's issued share capital (excluding treasury shares) as at that date.

Resolutions 18 and 19: Disapplication of pre-emption rights (General and Specific)

Resolution 18 is a special resolution which seeks to renew the Directors' power to allot shares or grant rights to subscribe for, or convert securities into, shares or sell treasury shares where they propose to do so for cash (other than pursuant to an employee share scheme) and otherwise than to existing shareholders pro rata to their holdings as permitted by the Articles. The power will be limited to: (i) the allotment of shares for cash in connection with a rights issue to allow the Directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders, and (ii) the allotment of shares and treasury shares for cash up to an aggregate nominal value of US\$8,752,095 being approximately 5 percent of the issued ordinary share capital (excluding treasury shares) at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting).

Resolution 19 is a special resolution which seeks to give the Director's power to make non-pre-emptive issues of ordinary shares in connection with acquisitions and other capital investments as contemplated by the Pre-emption Group's Statement of Principles (the 'Pre-emption Principles'). This power is intended to give the Directors flexibility in managing the Company's capital resources and is in addition to that proposed by resolution 18. It would be limited to allotments or sales of up to an aggregate nominal value of US\$8,752,095 being approximately 5 percent of the issued ordinary share capital (excluding treasury shares) at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting).

In accordance with the Pre-emption Principles, the Directors, in any rolling three-year period, do not intend to allot more than 7.5 percent of the issued ordinary share capital (excluding treasury shares) without prior consultation with shareholders (this limit excludes (i) any equity securities issued pursuant to a specific disapplication of pre-emption rights, and (ii) any equity securities issued pursuant to a general disapplication of pre-emption rights in connection with an acquisition or specified capital investment, as described above).

Explanatory notes continued

If given, these authorities will expire at the conclusion of the Annual General Meeting in 2021 or at the close of business on 8 July 2021, whichever is the earlier (unless previously renewed, varied or revoked by the Company in a General Meeting).

The Board will continue to seek to renew these authorities at each Annual General Meeting in accordance with best practice.

Resolution 20: Purchase of own shares

Resolution 20 is a special resolution. The Company is seeking approval of the renewal of the general authority from shareholders granted at last year's Annual General Meeting to purchase the Company's own shares. The resolution authorises the Company to make market purchases of its own ordinary shares as permitted by the Act.

In order to avoid shareholder dilution, shares allotted to employees through employee share schemes are bought back on a quarterly basis and subsequently cancelled. From 1 January 2019 to 14 February 2020, 3,095,156 shares were purchased and subsequently cancelled by the Company. Page 207 of the 2019 Annual Report provides further clarification.

The Directors have no present intention of exercising this authority other than for the reasons stated above, but will keep the matter under review, taking into account market conditions, the cash reserves of the Company, the Company's share price, appropriate gearing levels, other investment opportunities and the overall financial position of the Company. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be likely to promote the success of the Company for the benefit of its shareholders as a whole. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the employees' share schemes.

As at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting), 10,067,598 ordinary shares are held in treasury. The holding of shares as treasury shares provides the Company with additional flexibility in the management of its capital base. The resolution specifies the maximum number of shares which may be purchased (which is 87,520,957 representing approximately 10 percent of the issued ordinary share capital (excluding treasury shares) as at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting)) and the minimum and maximum prices at which they may be bought. The purchase of shares by the Company under this authority would be effected by purchases on the market.

As at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting), the total number of options over shares and share awards outstanding under all the Company's share plans was 7,588,679, which if exercised or vested would represent 0.87 percent of the Company's issued share capital (excluding treasury shares) at that date. If the Company were to purchase its own shares to the fullest possible extent of its authority from shareholders (existing and being sought), this number of outstanding options and share awards could potentially represent 1.08 percent of the issued ordinary share capital (excluding treasury shares) of the Company. There are no warrants outstanding.

The authority will only be valid until the conclusion of the Annual General Meeting of the Company in 2021 or, if earlier, at the close of business on 8 July 2021.

Resolution 21: Notice period for General Meetings other than the Annual General Meeting

Resolution 21 is a special resolution and is required to reflect the implementation of the Companies (Shareholders' Rights) Regulations 2009 which increased the notice period for General Meetings of the Company to 21 days (being 'clear' days pursuant to section 360 of the Act).

Under the Act, a General Meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice with shareholder approval. In order to preserve this ability, resolution 21 seeks the necessary shareholder approval, which will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company undertakes to meet the requirements for electronic voting in the Act before calling a general meeting on 14 clear days' notice.

Were this resolution passed, the Company would nonetheless generally give 14 business days' notice for General Meetings. The shorter notice period of 14 clear days would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Notes

1. The right to attend and vote at the meeting is determined by reference to the Company's register of members. Only those shareholders on the register of members of the Company as at the close of business on 7 April 2020 will be entitled to attend and vote at the AGM and they may only vote in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 8:00 pm on 7 April 2020 will be disregarded in determining the rights of any person to attend or vote at the meeting.
 2. A member is entitled to appoint one or more proxies (whether members or not) to attend, to speak and to vote instead of him/her. You may register your proxy appointment electronically via our Registrar's website at www.investorcentre.co.uk/eproxy. To be effective, the proxy appointment must reach the Company's Registrar no later than 2:00 pm on 7 April 2020 (or not less than 48 hours before the time fixed for any adjourned Annual General Meeting, provided that no account shall be taken of any part of a day that is not a working day).
 3. A member is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, to speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. A proxy need not be a member of the Company. All proxies must be submitted at the office of the Registrar not later than 48 hours before the time of the meeting (being 2:00 pm on 7 April 2020) (or not less than 48 hours before the time fixed for any adjourned Annual General Meeting, provided that no account shall be taken of any part of a day that is not a working day). Completion of a Form of Proxy will not preclude a member attending and voting in person at the meeting. A Form of Proxy for the meeting is enclosed. If you require additional Forms of Proxy, please contact the Registrar of the Company on 0370 703 0047 (lines are open 8:30 am to 5:30 pm (UK time), Monday to Friday, excluding public holidays in England and Wales. Telephone +44 (0)117 240 2532 if calling from outside the UK).
 4. Where a shareholder which is a corporation has completed a Form of Proxy under a power of attorney or authorised officer, if such power of attorney or authority has not previously been registered with the Company, that power of attorney or authority, a notarially certified copy of that power of attorney or authority, a copy certified in accordance with the Powers of Attorney Act 1971 of that power of attorney or authority, or a copy otherwise approved by the Directors of that power of attorney or authority, must be deposited or received at the office of the Registrar not later than the time at which the Form of Proxy is delivered or (in the case of appointments in electronic form) received, as the case may be.
 5. If two or more valid but differing appointments of a proxy are delivered (or, in the case of appointments in electronic form) received in respect of the same share for use at the same Annual General Meeting, the one which is last delivered or, as the case may be, received (regardless of its date, its date of sending or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that share. If the Company is unable to determine which was delivered or received last, none of them shall be treated as valid in respect of that share.
 6. In the case of joint holders of a share, the vote of the senior holder who votes, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of that share.
 7. Any corporate shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if two or more representatives purport to vote in respect of the same shares:
 - (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
 - (ii) in other cases, the power is treated as not exercised.
 8. CREST members holding their shares in uncertificated form who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 9 April 2020 and any adjournment(s) thereof by using the procedures described in the CREST Manual, which can be found at www.euroclear.com. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available by logging in at www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Computershare (CREST ID 3RA50) no later than 2:00 pm on 7 April 2020 (or not less than 48 hours before the time fixed for any adjourned Annual General Meeting, provided that no account shall be taken of any part of a day that is not a working day). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. Submission of a CREST Proxy Instruction will not preclude a member attending and voting in person at the meeting.
- No messages received through the CREST network after this time will be accepted. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of

Notes continued

- the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. The Company cannot accept responsibility for loss or damage arising from the opening or use of any emails or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to opening or use. Any electronic communication received by the Company and/or the Registrar, including the lodgement of an electronic Form of Proxy, that is found to contain a computer virus will not be accepted.
 10. Any shareholder attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any questions relating to the business being dealt with at the meeting unless to do so would interfere unduly with the preparation for the meeting, be undesirable in the interests of the Company or the good order of the meeting, involve the disclosure of confidential information or if the answer has already been given on the Company's website in the form of an answer to a question.
 11. Shareholders should note it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid (in each case), that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
 12. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Act (an 'indirect investor') does not have a right to appoint any proxy. Indirect investors may have a right under an agreement with the shareholder to be appointed (or to have someone else appointed) as a proxy for the meeting. Alternatively, if indirect investors do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.
 13. The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (excluding Saturday, Sunday and UK public holidays), will also be available for inspection at the place of the AGM from 1:00 pm on the day of the meeting until the conclusion of the meeting:
 - (a) copies of service contracts and/or letters of appointment of the Directors of the Company; and
 - (b) copies of the deeds of indemnity of the Directors.

In addition, for this AGM the following will also be available for inspection: (i) at the share plan legal counsel's office, whose address is Baker & McKenzie LLP, 100 New Bridge Street, London EC4V 6JA from the date of this Notice of Meeting until the close of the AGM, and (ii) at the place of the AGM from 1:00 pm on the day of the meeting until the conclusion of the meeting:

 - (c) The full rules of the new Smith & Nephew Global Share Plan 2020 (the 'Plan').
 14. As at 14 February 2020 (the latest practicable date prior to publication of this Notice of Meeting), the Company's issued share capital (excluding treasury shares) consists of 875,209,571 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 875,209,571.
 15. No electronic address (within the meaning of section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents including the Chair's letter and Form of Proxy) may be used to communicate with the Company for any purposes other than those expressly stated. Except as provided in this Notice of Meeting, members who have general queries about the AGM should use the following means of communication (no other methods of communication will be accepted):
 - (a) calling Natasha Jamal, on +44 (0)1923 477 345; or
 - (b) emailing Natasha Jamal, at natasha.jamal@smith-nephew.com.
 16. A copy of the Notice of Meeting and other information required by section 311A of the Act can be found at the Company's website (www.smith-nephew.com/AGM).
 17. As soon as practicable after the AGM, the results of the poll (and other information required by section 341 of the Act) will be announced via a regulated information service and made available on the Company's website (www.smith-nephew.com/AGM).
 18. The Annual General Meeting may involve the processing of members' personal data by the Company. This includes all data provided by you, or on your behalf, which relates to you as a member, including your name and contact details, the votes you cast and your Shareholder reference number. The Company and any third party to which it discloses your personal data (including our Registrars) may process your personal data in accordance with the Company's privacy policy for the purposes of compiling and updating the Company's records and fulfilling the Company's legal obligations. The Company's shareholder privacy statement is available online at www.smith-nephew.com/privacy-statement/privacy-statement-shareholders/.

Appendix 1

This summary outlines the main features of the Plan, under which the Company may grant conditional awards and options to employees of the Company ('Awards').

Awards may be awarded under the Plan to Executive Directors, senior executives and employees of the Company.

The Plan is intended to be a continuation of the Old Plan and the rules of the Plan are based on the Old Plan with the exception of some limited changes.

Awards granted to Executive Directors and senior executives will be subject to performance conditions and continued employment. Awards granted to employees (who are not Executive Directors or senior executives) will be subject to a continuous employment condition but will not normally be subject to any performance conditions.

Operation

Awards may normally be granted within 42 days after the announcement of the Company's results for any period. Awards may also be granted at other times in exceptional circumstances, or after the lifting of any Dealing Restrictions which may have prevented an earlier grant.

Awards may also be granted within a period of 42 days starting on the date of shareholder approval of the Plan.

Eligibility

All employees of the Company or of any subsidiary of the Company are eligible to participate in the Plan. The selection of employees or group of employees to participate, the size of Awards and the terms of any performance conditions or other condition will be determined by the Remuneration Committee (the 'Committee').

Form of Awards

Awards under the Plan may be in the form of:

- a conditional right to acquire shares ('Conditional Award');
- an option to acquire shares ('Option'); or
- a combination of the above.

Options will lapse at midnight on the day immediately before the tenth anniversary of the date of grant if they remain unexercised at that date. The Option price will be set by the Committee, but may be zero.

Individual limits

Generally, the value of an Award granted to a participant in any one financial year cannot exceed three times his or her annual basic salary at the time of grant. In practice, the size of the Awards for Executive Directors may be further limited by the Directors' Remuneration Policy. The Directors' Remuneration Policy being proposed at the AGM limits the size of Awards for Directors to 275 percent of annual basic salary.

The Committee has the discretion under the Plan to increase a participant's maximum opportunity to up to four times his or her basic salary in exceptional circumstances. It is intended that the Committee will only use this discretion in exceptional circumstances and where long-term targets linked to the Company's strategic goals have been met.

Awards granted under the Plan shall not be pensionable.

Vesting

Awards will normally be subject to a 3 year vesting period and, for Executive Directors, will be subject to a further 2 year holding period.

Awards subject to performance conditions will vest to the extent that the Committee determines that the performance conditions have been met. Awards granted not subject to a performance condition will vest at the end of the vesting period, subject to continued employment except in limited circumstances.

Performance conditions

The Committee may grant an Award subject to performance conditions. Awards made to Executive Directors and senior executives will always be subject to performance conditions. Awards granted to employees (who are not Executive Directors or senior executives) will not normally be subject to any performance conditions.

In line with the Old Plan, it is intended that the performance conditions attaching to Awards to be granted in 2020 will be measured over a performance period set by the Committee at grant (the current expectation is that Awards will be measured over at least three years) and will be subject to four equally weighted performance measures: relative TSR; return on invested capital; sales growth and cumulative free cash flow. The Committee considers that these measures are aligned with the Company's financial priorities and strategies.

The Committee is proposing changing the way that relative TSR will be measured in relation to Awards granted under the new Plan, moving away from the existing ranked approach to an index TSR approach. The Committee considers that the new approach will provide a more accurate and fair picture when assessing whether relative TSR performance targets have been met.

The Committee has the power to impose different performance conditions for new Awards. Any performance conditions applied to Awards granted to Executive Directors must be in line with the Director's Remuneration Policy agreed with shareholders. The Company, with the approval of the Committee, may vary or waive performance conditions for existing Awards in accordance with the terms of the performance condition or if anything happens which causes the Company to reasonably consider that it is appropriate to do so, provided that this does not result in an unfair benefit for the Participant in the reasonable opinion of the Committee.

Appendix 1 continued

Reduction of Award (malus and clawback)

The Plan provides that Awards may be reduced, forfeited and/or shall be subject to clawback after the Committee, in considering the circumstances set out below, determines that it would be appropriate to do so:

- (a) where there has been a misstatement of the Company's financial results which has resulted in a material overpayment to participants, which is in the form of Awards under the Plan or otherwise, irrespective of whether the relevant participants are at fault;
- (b) where there has been an error in determining the size of the Award or to the extent to which the performance conditions have been satisfied, or erroneous or misleading data, which has resulted in the vesting of an Award which would not otherwise have vested or which would otherwise have vested to a materially lesser extent;
- (c) where there has been a significant adverse change in the financial performance or reputation of the Company, including corporate failure and/or any significant loss at a general level or in respect of a global business unit or function in which a participant worked;
- (d) where the Committee determines that the conduct, capability or performance of a participant or any team, business area or profit centre warrants a review; and/or
- (e) in any other matter which appears relevant, (each a 'Trigger Event' and together the 'Trigger Events').

Where the Committee considers that a Trigger Event has occurred, the Committee may, under the malus provisions, reduce (including to zero) the number of shares under an Award, determine that an Award or any part of it shall not vest or shall no longer be exercisable, and/or apply conditions or restrictions to the vesting or exercise of an Award.

Where the Committee considers that a Trigger Event has occurred, clawback can be applied within 3 years of an Award vesting (or, if later, exercise), unless the Committee determines in exceptional circumstances that a longer period should apply.

Remuneration Committee discretion to reduce value of Awards

The Committee also has the ability under the Plan to reduce (including to zero) the number of shares under an Award in the event that the Committee determines that the amount that a participant would/could receive under an Award would result in the participant receiving an amount which the Committee considers cannot be justified or which the Committee considers to be an unfair or undeserved benefit to the Participant. In exercising this discretion, the Committee may consider all circumstances, including (but not limited to): the financial performance of the Company; any changes in the Company's share price; and the performance, conduct and contribution of the participant.

Holding period

The Committee can apply holding periods to awards under the Plan and it is intended that a holding period of at least 2 years will apply to Awards made to Executive Directors. The Committee has the power to determine that holding periods of different lengths should apply to an Award.

Leaving employment

An Award will normally lapse where participants leave the Company (or any subsidiary of the Company) before they become entitled to receive shares, unless the employment ceases due to ill-health, injury, disability, retirement, redundancy, death, a sale of the employing business or company or for any other reason, if the Committee so decides in any particular circumstance.

If a participant ceases employment in such circumstances, an Award which is subject to performance conditions will normally continue until the original vesting date. The performance conditions will then be applied and the number of shares acquired will be reduced on a pro-rated basis to take account of the proportion of the performance period when the participant was not in employment. The Committee may use its discretion to determine that Awards will vest immediately on cessation but only to the extent that the performance conditions have been, or will likely be, satisfied, in the opinion of the Committee, on the date of cessation of employment. Awards will be pro-rated for time as described above. Awards which are not subject to performance conditions will generally vest on cessation of employment for any of the reasons mentioned above. These awards will normally vest in full unless the Committee determines that they should be pro-rated for time.

If a participant ceases employment and his or her Award is subject to a holding period, the holding period will continue to apply, unless the Committee determines otherwise, to the later of the date that it would have applied when the Award was first granted and the date which is 2 years after the participant ceased to be an employee.

On death, Awards will vest at the time of death to the extent that the performance conditions, if any, has been satisfied at that time. Awards will not be pro-rated for time unless the Committee determines otherwise.

Change of control

Generally, on a change of control of the Company, Awards will vest at the time of the event, unless participants are allowed or required by the Company to exchange their shares in the acquiring company (in which case the new award must be granted on equivalent terms, including in relation to any performance condition or applicable holding period). Where Awards are subject to performance conditions, the Committee will determine the extent to which the performance conditions have been satisfied as at the time of the event and the Awards will then vest accordingly. Where an Award is subject to a holding period, any applicable holding period will not apply, or will cease to apply, unless the Committee determines otherwise. In addition, the Committee may determine that Awards will be reduced to reflect the acceleration of vesting.

On a reorganisation, the Company may decide to exchange the Awards for awards over shares in the new company.

Dividend Equivalents

Participants may be entitled to receive dividend equivalents in relation to their Awards, which may be paid in shares or cash (as determined by the Company with the consent of the Committee). If eligible to do so, participants shall receive their dividend equivalents after the Conditional Award has vested or, in the case of an Option, after the exercise of the Option.

Settlement

Awards will normally be settled in shares.

The Company may, where it considers it necessary and desirable to do so, and with the approval of the Committee, decide to satisfy an Award by paying an equivalent amount in cash. For Options, the cash amount must be equal to the market value of the shares that the participant would have received had the Award been satisfied with shares (less the applicable option price that would have been payable to acquire the shares).

Variations

Where there is a variation in the share capital of the Company, a demerger or a special dividend or other corporate event which might affect the current or future value of an Award, the Committee may adjust the number or class of shares subject to the Award and, in the case of an option, the option price. The Committee may adjust the individual limits applicable to each Award at any time, subject to the maximum limits under the Plan.

Rights

Awards will not enjoy any shareholder rights until the shares have been acquired by the participant.

Any shares issued under the Plan will rank equally with shares of the same class and issue on the date of allotment except in respect of rights by reference to a record date prior to the date of allotment. In addition, treasury shares may be used to satisfy Awards under the Plan.

Dilution limits

In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under the Plan and all other employee share plans operated by the Company. In addition, in any 10 year period, not more than 5 percent of the issued ordinary share capital of the Company may be issued or committed to be issued under the Plan and all other discretionary share plans adopted by the Company. If the shares are transferred from Treasury to satisfy Awards, these will also be counted towards the dilution limits for as long as it is required by the Investment Association guidelines.

Amendments to the Plan

The Committee may amend the Plan as it considers appropriate. However, shareholder approval will be required to amend certain provisions of the Plan if they are to the advantage of its participants. These provisions relate to: eligibility; individual and Plan limits; the basis for determining entitlements to shares; rights in the event of a variation in the Company's share capital; and the amendment powers.

However, the Committee may, without shareholder approval make minor amendments to: facilitate the administration of the Plan; comply with or take account of any proposed or existing legislation or changes thereto; or obtain or maintain favourable tax, exchange control or regulatory treatment for any Group company or any present or future participant.

Termination

The Committee may terminate the Plan at any time which will, in any event, end on the tenth anniversary of the approval of the shareholders and/or apply conditions or restrictions to the vesting or exercise of an Award.

Shareholder communications

The Company makes bi-annual financial announcements and quarterly trading reports which are made available through Stock Exchange announcements and on the Group's website (www.smith-nephew.com). Copies of recent Annual Reports, press releases, institutional presentations and audio webcasts are also available on the website.

The Company sends paper copies of the Notice of Meeting and Annual Report only to those shareholders and ADS holders who have elected to receive shareholder documentation by post. Electronic copies of the Annual Report and Notice of Meeting are available on the Group's website at www.smith-nephew.com.

Both ordinary shareholders and ADS holders can request paper copies of the Annual Report, which the Company provides free of charge. The Company will continue to send to ordinary shareholders by post the Form of Proxy which advises of the availability of the Annual Report and Notice of Meeting on the Group's website. Shareholders who elect to receive the Annual Report and Notice of Meeting electronically are informed by email of the documents' availability on the Group's website. ADS holders receive a Voting Instruction Form by post but will not receive a paper copy of the Notice of Meeting.

Don't be a target for share fraud

Fraudsters use persuasive, high pressure tactics to scam investors. They may offer to sell you shares that turn out to be fake or worthless, or to buy your shares at a high price if you pay an upfront fee. Either way, the promised profits won't materialise and you'll probably lose your money. Here's how to avoid investment scams.

How to avoid share fraud

1. Reject cold calls. If you've been cold called with an offer to buy or sell shares, chances are it is a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.
2. Check the firm on the Financial Services Register at www.fca.org.uk/register. The Financial Services Register is a public record of all the firms and individuals in the financial services industry that are regulated by the Financial Conduct Authority ('FCA').
3. Get impartial advice. Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Remember: if it sounds too good to be true, it probably is!

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams where you can find out more about the investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk. Find out more at www.fca.org.uk/scamsmart.

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www.smith-nephew.com



www.investorcentre.co.uk

Investor Centre allows you to manage your shares, proxy voting, address details and dividend payment instructions, online.

MARYLEBONE

Thursday, 9 April 2020
at 2:00 pm

King's Fund entrance

No. 11 Cavendish Square,
London W1G 0AN

Directions

Nearest underground station Oxford Circus (Bakerloo, Central and Victoria lines) Exit 4 (corner near H&M store).

Bus routes

A large number of bus routes pass close to the venue. Please check Google Maps, Citymapper or TFL Travel to find the best route.

Parking

Cavendish Square Car Park, Harley Street Car Park (enter from Chandos Street).

Contact for queries

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