
Smith+Nephew

Smith & Nephew plc
PDMR Securities Dealing Code

(Adopted by the Board on 28 July 2020)

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SMITH & NEPHEW PLC (THE "COMPANY")

PDMR SECURITIES DEALING CODE

This PDMR Securities Dealing Code only applies to Persons Discharging Managerial Responsibilities (PDMRs) of Smith & Nephew plc which are the Directors and certain named Executive Officers of the Company. You are also required to comply with the General Securities Dealing Code which:

- prohibits you from dealing at any time in the Company's securities and/or financial instruments even where clearance is not required under this Code or the General Securities Dealing Code when you have inside information in relation to the Group; and
- prohibits you, for so long as you are designated a Restricted Person (you will have been notified if you are a Restricted Person or if your status has changed from a Confidential Person to a Restricted Person), from dealing in the Company's securities without obtaining advance clearance from the Company Secretary.

This additional Code is required because the Market Abuse Regulations 2016 imposes specific extra restrictions and obligations on PDMRs.

Failure to comply with this Code may result in internal disciplinary procedures. Depending on the circumstances it may also mean that you and any other person involved in a prohibited dealing has committed civil and/or criminal offences. This Code also imposes obligations on you in respect of "persons closely associated" "PCA" with you.

Insider dealing may result in Smith & Nephew plc's securities being suspended from trading and could result in reputational damage to the Company.

If you are not sure whether you can deal in securities of Smith & Nephew plc or any other entity, please read the practical guidance set out in the next page, or speak to the Company Secretary.

- 1.** Unless the Company has given you advance permission in accordance with Section 2, you cannot deal on your own account, or for the account of a third party, directly or indirectly, in any securities of the Company 30 calendar days prior to such half-year announcements or from the accounting year end of 31 December to the audited announcement. The Company will give you advance notice of the dates of the Closed Periods.

The concept of dealing is very wide. For example, as well as including buying or selling securities, it also includes exercising options under any of Smith & Nephew's share schemes, using the Company's shares as security for a loan and entering into any derivative contract which relates to the Company's securities. Financial instruments traded on a multilateral trading facilities and over-the-counter trades are also included in this wider definition.

- 2.** The Company only has a very limited ability to permit you to trade during a Closed Period but may, as an exception, allow you to do so where the proposed trading activity:
 - is a sale of shares and is necessary because of exceptional circumstances such as severe financial difficulty which require an immediate sale;
 - is in relation to specific types of employee benefit scheme;
 - is a transfer between your own security accounts or transferring from certificated to uncertificated format and does not result in a change in price of the securities; or

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- is in relation to a share qualification contained in the Company's articles of association and you have satisfactorily explained to the Company why the acquisition did not happen earlier,

provided that in each case you are able to demonstrate that the particular trade cannot be executed at any time other than in the relevant Closed Period and that you do not have inside information.

3. You can obtain advance clearance to deal through the Company Secretary using the electronic dealing request form found on InsiderTrack, please contact *Bruce.Shepherd@smith-nephew.com* for access to this system. The Company Secretary will immediately seek approval for your dealing from the CEO or Chairman or Senior Independent Director ("SID"), as appropriate. As well as requiring details about your proposed dealing e.g. share sale or exercise of an award, submission of the form requires you to confirm that you do not have any inside information and that you have checked that your personal details displayed on the InsiderTrack portal are up to date and correct.
4. Please talk to the Company Secretary in advance about any proposed transactions in the Company's securities even where clearance is not required under this Code or the General Securities Dealing Code and encourage any persons who are closely associated with you (your "PCAs") to do the same at all times. In any event, whether or not the Company is in a Closed Period, every transaction in the Company's securities conducted on your own account, or on the account of any of your PCAs, must be promptly notified by that person to:
 - the Company Secretary no later than **one** business day after the relevant transaction; and
 - the FCA by no later than **three** working days after the relevant transaction. Although this is your responsibility, as a PDMR, the Company Secretariat will file such notifications (via RNS announcements both in the UK and the US) on your behalf provided that you provide the required details of the dealing transaction as soon as it has taken place and/or within **one** business day otherwise the responsibility will fall back to you.

Your "PCAs" are:

- (i) your spouse, including civil partner or equivalent under national law;
- (ii) dependent child, in accordance with national law (including step-children) ;
- (iii) a relative who has shared the same household as you for at least one year on the date of dealing; and
- (iv) a legal person, trust or partnership, the managerial responsibilities of which are discharged by you or by one of the persons in paragraphs (i) to (iii), which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

5. You must inform:
 - your PCAs in writing of their obligations under paragraph 3 and keep a copy of that notification (the Company Secretary will provide you with a form that you can use to do this); and
 - the Company Secretary of the identity of your PCAs (including any changes to that list).

APPENDIX A

The Company is required to maintain a record of specific personal information relating to you, which is set out below. These details will be kept in the InsiderTrack system to which you will have portal access via www.smith-nephewinsiders.com and it will be your responsibility to ensure that your personal details are accurate and kept up to date.

PDMR Details maintained on Insidertrack:

- Full names – first names and surname(s)
- Birth Surname(s) (if different)
- Office telephone numbers direct landlines and mobile numbers
- Function and reason for being an insider
- Date and Time of being added to the Permanent Insider List
- Date of Birth
- National Insurance/Social Security or other National Identification Number
- Personal full home address
- Personal telephone numbers – home landline and mobile numbers
- The names of relevant PCAs

APPENDIX B

Notifiable Transactions

All PDMRs and their PCAs must notify the Company and the FCA of every transaction conducted on their own account relating to the shares, debt instruments of the Company or other financial instruments linked to those shares or debt instruments within the time frames set out in the PDMR Securities Dealing Code.

A non-exhaustive list of examples of possible Notifiable Transactions includes:

- A sale, purchase, short sale, subscription or exchange of the Company's shares
- The acceptance or exercise of a share option or award, including of a share option/award granted as part of their remuneration package, and the disposal of shares stemming from the exercise and/or vesting of a share option/award
- Entering into or exercising equity swaps
- Transactions in or related to derivatives, including cash-settled transactions
- Entering into a contract for difference on a financial instrument of the Company
- The acquisition, disposal or exercise of rights, including put and call options, and warrants
- Subscriptions to a capital increase or debt instrument issuance
- Transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps
- Conditional transactions, upon the occurrence of the conditions and actual executions of the transactions
- Automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares
- Gifts and donations made or received, and inheritance received
- Transactions executed in index-related products, baskets and derivatives
- Transactions executed by a manager or an alternative investment fund in which the PDMR its PCA has invested
- Transactions executed in shares or units of investment funds, including alternative investment funds (AIFs)
- Transactions executed by a third party under an individual portfolio or asset management mandate on behalf of or for the benefit of a PDMR or their PCA
- Borrowing or lending of shares or debt instruments of the Company or derivatives or other financial instruments linked to them
- The pledging or lending of financial instruments by a PDMR or a PCA. A pledge or similar security interest, of financial instruments in connection with the depositing of the financial instruments in a custody account does not need to be notified, unless and until such pledge or other security interest is designated to secure a specific credit facility

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- Transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a PDMR or their PCA, including where discretion is exercised
 - Transactions made under a life insurance policy, where the policyholder is a PDMR or their PCA and they bear the investment risk and have the power or discretion to make investment decisions in relation to the policy. Note, no notification obligation is imposed on the insurance company.

PDMRs and their PCAs are required to inform the Company Secretary of the following information regarding their dealing transaction(s) within **one** working day of having dealt in the shares or financial instruments of the Company:

- the reason for the notification;
- a description of and the identifier of the security or financial instrument (for example Ordinary Share, ADR/debt);
- the nature of the transactions (for example purchase or sale);
- date and place of the transaction; and
- the price and volume of the transaction.