

SMITH & NEPHEW PLC ROLE OF CHAIR

The role of the Chair is to lead an effective Board which will provide direction for the executive team within a framework of prudent and effective control.

The Chair's principal duties and responsibilities are:

1. The Board and Meetings

- Building a well-balanced Board taking account of the Board's existing experience and skills and the Company's current and future needs and keeping the composition of the Board and succession planning under regular review.
- Chairing Board and Nomination & Governance Committee meetings.
- Setting the Board agenda, taking into account the issues and concerns of all Board members. The agenda should be forward looking, concentrating on matters of strategy, performance, value creation and accountability.
- Ensuring that the directors receive accurate, timely and clear information, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the company. Ensuring that directors are fully informed about all issues on which the Board will have to make a decision, through briefings with the Chief Executive Officer and members of the executive team as appropriate.
- Setting the style and tone of Board discussions to promote effective decision making, constructive debate and effective challenge. Managing Board meetings to allow enough time for discussion of complex or contentious issues.
- Ensuring that the Board Committees are properly structured with appropriate terms of reference.
- Ensuring that there is appropriate delegation of authority from the Board to the executive team.

2. Members of the Board

- Overseeing the work of the Chief Executive Officer, mentoring and offering guidance as required.
- Facilitating the effective contribution of non-executive directors and encouraging active engagement by all members of the Board, by drawing on their skills, experience knowledge and, where appropriate, independence.
- Promoting effective relationships and open communication between executive and non-executive directors inside the Boardroom and in a

particular fostering a productive working relationship with the Chief Executive and Chief Financial Officer.

- Consulting the Senior Independent Director on Board matters, as appropriate.
- Holding meetings with the non-executive directors without the executives present.

3. Induction, development and performance evaluation

- Ensuring that new directors participate in a full, formal and tailored induction programme
- Ensuring that the development needs of directors are identified and that these needs are met, including his or her own. The directors should be able to update their skills and the knowledge and familiarity with the company required to fulfil their role on the Board and its committees.
- Identifying the development needs of the Board as a whole to enhance its overall effectiveness as a team.
- Ensuring the performance of the Board, its committees and individual directors is evaluated at least once a year and acting on the results of such evaluation by recognising the strengths and addressing the weaknesses of the Board.
- Where appropriate proposing that new members be appointed to the Board or seeking the resignation of others through the Nomination & Governance Committee.

4. Relations with shareholders

- Ensuring effective communication with shareholders
- Maintaining sufficient contact with major shareholders and stakeholders to understand their issues and concerns, in particular discussing governance, strategy and remuneration with them.
- Ensuring that the views of shareholders are communicated to the Board as a whole so that all directors develop an understanding of their views.

5. Annual General Meeting

- Chairing the Annual General meeting and arranging for all directors to attend the meeting and for the Chair of Board committees to be available to answer questions.

6. Delegated Authorities

Together with the Chief Executive Officer:

- Approving acquisitions and disposals, capital expenditure, operating costs, trade debtors and litigation settlements above \$25m and up to \$50m.

7. General

- Acting with integrity and honesty and setting the “tone at the top” for the Group in matters of ethics and compliance, and the Company’s culture, values and behaviours.
- Ensuring the long term sustainability of the business.
- Ensuring that the Board determines and regularly reviews the nature and extent of significant risks that the Company is willing to embrace in the implementation of its strategy.
- With the assistance of the company secretary, promoting the highest standards of corporate governance, seeking compliance with the UK Corporate Governance Code. If full compliance is not appropriate, ensuring that the reasons for non-compliance are fully understood agreed by the Board and explained to shareholders.
- Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers, suppliers and the community).

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