

SCHEDULE OF MATTERS RESERVED TO THE BOARD

The following matters are reserved to the Board of Smith & Nephew plc:

1. STRATEGY AND MANAGEMENT

Responsibility for the overall management of the Group.

Approval of the Group Strategy including the extension of the Group's activities into new business or geographic areas or the cessation of all or a material part of the Group's business.

Reviewing the performance of the Group against the business strategy and ensuring any necessary corrective action is taken.

Oversight of the Group's operations ensuring:

- Competent and prudent management,
- A robust system of risk management,
- Sound planning,
- Effective liaison with shareholders,
- An adequate system of internal control,
- Adequate accounting and other records, and
- Compliance with statutory and regulatory obligations.

2. STRUCTURE, CAPITAL AND FINANCING

Approval of major changes to the Group's corporate structure including:

- Share issues, other than in connection with the Group's share plans, and
- The reduction of capital through the share buy-back programme or otherwise.

Approval of changes to the Group's management and control structure.

Approval of all acquisitions and disposals involving the purchase or sale of shares or cash transaction above \$50 million. The Mergers and Acquisition Investment Committee will approve those up to \$50 million.

Approval of all capital expenditure above \$50m. The Chief Executive Officer will circulate projects with a total spend of less than \$50 million that in his judgement warrant circulation to the Board. The Chief Executive Officer and Chairman together may approve between \$25m to \$50m, the Chief Executive Officer between \$10m and \$25m and the Chief Financial Officer up to \$10m.

Approval of any new borrowing or repayment by a Group Company where the amount involved exceeds the authority delegated to the Finance and Banking Committee of \$500m.

Approval of any guarantee, letter of comfort or counter-indemnity, of third party liabilities where the amount involved exceeds the authority delegated to the Finance & Banking Committee of \$50m.

Approval of treasury policies including policies on foreign currency exposure and the use of financial derivatives.

Approval of banking and finance arrangements in excess of the authority delegated to the Finance and Banking Committee, in particular: -

- Publicly listed debt facilities
- Banking counterparty limits above \$150m
- Grant of securities in excess of 5% of group gross assets.
- foreign exchange hedging contracts up to 18 months forward in respect of actual and forecasted transactions.
- floating interest rates beyond 2 years forward and fixed interest rates and interest rate swaps beyond 2 years or above notional principal of \$250m for any duration.

Approval of all operating costs above \$50m and trade debtors over \$50m

Approval of credit limits over \$50m.

3. ANNUAL PLANS

Approval of the Annual Budget, Financial Plan and Business Plan.

Review of performance against the Annual Budget, Financial Plan and Business Plan, ensuring any necessary corrective action is taken.

Set Key Performance Indicators for the year and review these on an annual basis.

4. INTERNAL CONTROLS AND RISK MANAGEMENT

Determining the appropriate level of risk appetite for the Company and reviewing the risk register on an annual basis.

Assisted by the Audit Committee and the Culture & Compliance Committee, ensuring the maintenance of a sound system of internal control and risk management, including the impact of climate change and the appropriateness of the Company's values and culture and reward systems for managing risk and internal controls. Reviewing and ensuring oversight of management's overall risk appetite, tolerance and strategic risks relating to the Company and its operations, through regular functional reports and presentations.

Undertaking an annual assessment of the Group's risk management processes and approving an appropriate statement for inclusion in the Annual Report.

5. FINANCIAL REPORTING AND COMMUNICATION WITH SHAREHOLDERS

Approval of the preliminary announcement of the annual results, the half-yearly report and the quarterly trading reports.

Reviewing the draft announcements of such results.

Reviewing, prior to release, all announcements deemed to be price sensitive and press releases concerning matters decided by the Board.

Approval of Report and Accounts (including the Risk Report, Viability Statement, the Corporate Governance Statement and Remuneration Report).

Approval of the Sustainability Report.

Approval of dividend policy and all dividend recommendations.

Approval of resolutions and documentation to be put before shareholders in general meeting and the convening of all shareholder meetings.

Approval of circulars, prospectuses and listing particulars issued by the Company.

On the recommendation of the Audit Committee, the approval of any significant changes to accounting policies or practices.

6. BOARD MEMBERSHIP AND OTHER APPOINTMENTS

On the recommendation of the Nomination & Governance Committee, approval of any changes to the structure, size and composition of the Board, having regard to the balance of skills, experience, independence, knowledge, and diversity.

Ensuring adequate succession planning for the Board and senior management.

On the recommendation of the Nomination & Governance Committee the approval of the appointment and re-appointment or removal of any Director of the Company or the Company Secretary.

Determining the independence of the Non Executive Directors and authorising any actual or potential conflicts of interest.

On the recommendation of the Nomination & Governance Committee, the approval of the appointment of the Chairman, Chief Executive Officer or Senior Independent Director of the Company.

Determining the division of responsibilities between the Chairman and Chief Executive Officer, and the authorities and powers delegated to each.

On the recommendation of the Audit Committee, approval of the appointment or removal of the external auditors and their remuneration.

On the recommendation of the Chief Executive Officer, approval of the appointment or removal of Group's principal professional advisors.

7. COMMITTEES OF THE BOARD

Establishing any Committee of the Board, approving and reviewing regularly its terms of reference and basis of operation and determining, on the recommendation of the Nominations Committee, its membership.

Receiving reports from Chair of the Committees of the Board on the activities of the Committees of the Board.

8. REMUNERATION

On the recommendation of the Remuneration Committee, determining the remuneration policy for the Executive Directors and Executive Officers of the Company.

On the recommendation of the Chief Executive Officer, determining the remuneration of the Non-Executive Directors.

Approval of any share incentive plans requiring shareholder approval.

9. CORPORATE GOVERNANCE MATTERS

Approval to changes of residency of the Company or to its status as a listed company on the London and any overseas stock exchange.

Undertaking a formal review of the effectiveness of the Board and its committees on an annual basis, using external facilitators at least once every three years.

Approval of changes to the Company's Memorandum or Articles of Association.

Reviewing the Group's overall corporate governance arrangements.

Approval of policies, including the Code of Conduct, the Code of Share Dealing, the Health and Safety Policy, the Sustainability Policy and other such policies as deemed appropriate.

Approval of any donation to a political party.

10. LEGAL AND ADMINISTRATIVE MATTERS

Approval of litigation settlements where the amount of the claim exceeds \$50m.

Approval of Company rules relating to Inside Information and delegating the approval of related matters to the Chief Executive Officer's Disclosure Committee.

Approval of overall levels of insurance of the Group including D&O liability insurance and indemnification of directors.

Approval of major changes to the rules of the Group's principal pension schemes.

Receiving reports on the views of the Company's shareholders.

Determining any other matters as the Board may from time to time decide.

Updated: 16 February 2022