

Smith & Nephew plc

TERMS OF REFERENCE OF THE COMPLIANCE & CULTURE COMMITTEE

MEMBERSHIP

1. Members of the Compliance & Culture Committee shall be appointed by the Board, subject to annual re-election by shareholders at the AGM, on the recommendation of the Nomination & Governance Committee, and, if appropriate, in consultation with the Chair of the Compliance & Culture Committee.
2. The Compliance & Culture Committee shall consist of at least three members, all of whom shall be independent Non-Executive Directors.
3. The Board shall appoint the Chair of the Compliance & Culture Committee who shall be an independent Non-Executive Director.
4. Only members of the Compliance & Culture Committee have the right to attend Compliance & Culture Committee meetings. However, other individuals, including, but not limited to the Chief Executive Officer, the Chief Legal and Compliance Officer, the Chief Quality & Regulatory Affairs Officer, the Chief Human Resources Officer, the Chief Financial Officer, President Operations & GBS other members of the Board and certain external advisors may be invited to attend for all or part of any meeting.
5. The Company Secretary or their designate shall be the Secretary of the Compliance & Culture Committee.

MEETINGS AND THE TRANSACTION OF BUSINESS

6. Meetings shall usually be held not less than four times a year. Meetings may be held physically or by telephone and additional meetings may be convened as the Chair of the Compliance & Culture Committee shall determine.
7. The quorum for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
8. The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
9. Meetings of the Compliance & Culture Committee shall be summoned by the Secretary at the request of the Chair or any of its members.

10. Unless otherwise agreed with the Chair of the Compliance & Culture Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of Compliance & Culture Committee no later than three working days before the date of the meeting together with supporting papers.
11. The Secretary shall minute the proceedings and resolutions of all Compliance & Culture Committee meetings and circulate them to the members of the Compliance & Culture Committee.
12. The Chair of the Compliance & Culture Committee shall report regularly to the full Board on the proceedings of the Compliance & Culture Committee and the minutes of all meetings shall be included in the Board papers for a subsequent Board meeting.
13. The Chair of the Compliance & Culture Committee shall be required to attend the annual general meeting of shareholders to respond to any shareholder questions on the activities of the Compliance & Culture Committee. The Chair of the Compliance & Culture Committee may also be requested from time to time, where appropriate, to meet with employees, regulators, stakeholders and other persons to discuss relevant questions.

GENERAL DUTIES

14. The general duties of the Compliance & Culture Committee shall be to:

Ethics & Compliance

- 14.1 On behalf of the Board, review and approve the Group Code of Conduct and Business Principles ensuring they are aligned with the Purpose, Culture Pillars and Strategy;
- 14.2 Receive reports and review activities regarding the implementation of the Group's ethical and compliance programme including training, communications, significant investigations, audits and monitoring of ethical and compliance procedures and processes;
- 14.3 Review external developments and ethical and compliance continuous improvement programmes;
- 14.4 Review Group's external communication and reporting in respect of ethical and compliance programmes;

Quality

- 14.5 On behalf of the Board, assess and monitor the processes by which regulatory and quality risks relating to the Company and its operations are managed, through regular reports and presentations by the Chief Quality & Regulatory Affairs Officer;

Culture

- 14.6 On behalf of the Board, assess and monitor culture ensuring that policies, practices and behaviours throughout the business are aligned with the Purpose, Culture Pillars, and Strategy of the Company;
- 14.7 As required, review corporate policies and adherence to those policies relating to behavioural matters such as grievances, harassment and fair treatment;
- 14.8 On behalf of the Board, review and approve the publication of public statements relating to cultural and ethical matters, including Statements on Conflict Minerals subject to Audit Committee approval and Modern Slavery and Human Rights subject to Board approval;
- 14.9 Assess and monitor the whistleblowing process, including cases of whistle-blowing;

Sustainability

- 14.10 On behalf of the Board, review and approve the Group's Sustainability Policy, taking into account the Company's impact on employees, the environment, the local communities in which it operates, customers, suppliers and other stakeholders;
- 14.11 On behalf of the Board, monitor the Group's Sustainability performance against sustainability targets;
- 14.12 On behalf of the Board, review and approve the Annual Sustainability Report;

Stakeholder Engagement

- 14.13 On behalf of the Board, execute the 'Board Listening Programme' ensuring the Board engages effectively with employees and listens to the employee voice;

14.14 On behalf of the Board, assess and monitor relationships with our key stakeholders including customers, suppliers, governments and regulators to better understand their views and to support the management team in their relationships with these stakeholders.

General

14.15 Perform any other activities consistent with these terms of reference or the Company's articles of association as the Board or the Compliance & Culture Committee may deem necessary, advisable or appropriate for the Compliance & Culture Committee to perform.

ADMINISTRATION

- 15 The Compliance & Culture Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties and to obtain any outside legal or professional advice at the Company's expense.
- 16 The Compliance & Culture Committee shall, at least once a year, review its own performance, constitution and terms of reference and recommend any changes it considers necessary to the Board for approval.

Reviewed and Approved: 15 February 2023