

## SMITH & NEPHEW PLC ROLE OF CHIEF EXECUTIVE OFFICER

The role of the Chief Executive Officer is to lead the executive team in managing the day to day operation of the Company. The Chief Executive Officer is accountable and reports to the Board and is assisted in his role by members of his executive team comprising the Executive Officers. The Chief Executive Officer has the power to delegate any aspect of his role to members of his executive team as he sees fit.

The Chief Executive Officer's principal duties and responsibilities are:

### **1. Business Strategy and Management**

- Developing and regularly reviewing the Group objectives and strategy
- Recommending to the Board an annual budget and 3 year strategic and financial plan and ensuring their implementation following Board approval.
- Ensuring effective implementation of Board decisions, the achievement of objectives and the implementation of the strategy.
- Optimising as far as is reasonably possible the use and adequacy of the Group's resources.
- Providing coherent leadership of the Company, including representing the Group to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public.
- Acting with integrity and honesty and setting the "tone at the top" for the Group in matters of ethics and compliance, quality and regulatory and the Company's culture, values and behaviours.
- Ensuring the long-term sustainability of the business.
- Ensuring that all Group policies and procedures are followed and conform to the highest standards.

### **2. Investment and Financing**

- Approving acquisitions and divestments for recommendation to the Board.

### **3. Delegated Authorities**

- Together with the Chief Financial Officer, approving acquisitions and disposals, capital expenditure, operating costs, and litigation settlements above \$10m and up to \$25m.
- Approving credit limits above \$10m and up to \$50m.

Together with the Chair:

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

#### **4. Risk Management and Controls**

- Managing the Group's risk profile in line with the risk parameters identified as acceptable by the Board.
- Ensuring appropriate internal controls are in place for the effective management of risk
- ESG planning and reporting, including the monitoring and improvement of the impact of climate change upon the Company.

#### **5. Organisational Structure and Management Development**

- Regularly reviewing the Group's organisational structure.
- Approving Group Human Resources policies, including management development and succession planning for the executive team and the appointment and termination of employment of members of that team.
- Developing senior teams within the Divisions and ensuring succession planning.

#### **6. Board Committees**

- Approving recommendations on remuneration policy, executive remuneration and terms of employment of the executive team to the Remuneration Committee.
- Making recommendations to the Nomination & Governance Committee on the role and capabilities required in respect of the appointment of executive directors.

#### **7. Communication**

- Keeping the Chair informed on all important matters.
- Ensuring the Board are kept informed of forthcoming, complex, contentious or sensitive issues affecting the Group.
- Ensuring that the Board is aware, where appropriate, of the views of employees' on issues of relevance to the business, and understand any divergence of view in the executive team on key business issues.
- Keeping the Board regularly informed of key business issues and the activities of the Executive Committee.

- Ensuring effective communication with investors, potential investors, and other stakeholders ensuring their views are communicated to the Board.

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