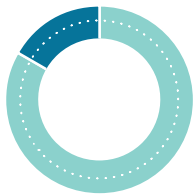


Governance at a glance

The Board continues to be committed to maintaining the highest standards of corporate governance and ensuring purpose, values and behaviours are consistent across Smith+Nephew.

Board composition as at 24 February 2025

Board ethnicity



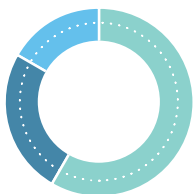
- White British or White (including minority white groups) 10
- Asian/Asian British 2

Board nationality



- British 7
- American 3
- British/American 1
- Polish/German 1

Board tenure



- 0-3 years 7
- 3-6 years 3
- 6+ years 2

» See more on pages 104-107 and 121-122

Board gender diversity



33.3% female **66.7% male**

As at 31 December 2024, Board gender diversity was 27.3% female, 72.7% male.

» See more on page 122

Senior Board Positions

Chair



Chief Executive Officer



Chief Financial Officer



Senior Independent Director













2024 Board sites visit map

- | | | | |
|---------------------|-----------------------|------------------|-----------------------|
| 1 Coimbra, Portugal | 4 Brisbane, Australia | 7 Pittsburgh, US | 10 Munich, Germany |
| 2 Andover, US | 5 Fort Worth, US | 8 Croxley, UK | 11 Aarau, Switzerland |
| 3 Memphis, US | 6 Singapore | 9 Hull, UK | 12 Penang, Malaysia |



» See more on page 118

Board and Committee attendance

Committee key			Member of the Audit Committee A	Member of the Remuneration Committee R	Member of the Nomination & Governance Committee N	Member of the Compliance & Culture Committee C	Committee Chair 			
During 2024 there were eight scheduled Board meetings										
					Board	Nomination & Governance	Compliance & Culture	Audit	Remuneration	Total meetings
Attendees ¹	Appointed	Committee membership			8	5	4	7	8	
Rupert Soames	April 2023				8/8	5/5	N/a	N/a	8/8	
Deepak Nath	April 2022				8/8	N/a	N/a	N/a	N/a	
John Rogers	April 2024				7/7	N/a	N/a	N/a	N/a	
Anne-Françoise Nesmes	July 2020				1/1	N/a	N/a	N/a	N/a	
Angie Risley	September 2017				7/8	5/5	1/1	N/a	8/8	
Jo Hallas	February 2022				8/8	N/a	3/3	7/7	N/a	
Simon Lowth	January 2024				8/8	5/5	N/a	7/7	N/a	
John Ma	February 2021				7/8	N/a	4/4	N/a	N/a	
Jez Maiden	September 2023				8/8	N/a	N/a	7/7	8/8	
Katarzyna Mazur-Hofsaess	November 2020				8/8	N/a	3/4	N/a	N/a	
Rick Medlock	April 2020				1/1	N/a	N/a	2/2	N/a	
Marc Owen	October 2017				8/8	5/5	4/4	7/7	N/a	
Bob White	May 2020				8/8	N/a	4/4	N/a	8/8	

1 Anne-Françoise Nesmes stepped down as CFO on 1 April 2024 and was replaced by John Rogers on the same date. Rick Medlock stepped down from the Board on 1 May 2024. Jo Hallas became a member of the Compliance & Culture Committee on 1 May 2024, with Angie Risley stepping down from the Committee on the same date.

UK Corporate Governance Code

UK Corporate Governance Code 2018 (the Code): 2024 Statement of Compliance

Throughout the year ended 31 December 2024, the Company complied with all the provisions of the Code and the Disclosure Guidance and Transparency Rules requirements to provide a Corporate Governance Statement.

The Company's American Depositary Shares and bonds are listed on the New York Stock Exchange (NYSE), and we are therefore subject to the rules of the NYSE as well as to US securities laws and the rules of the Securities and Exchange Commission (SEC) applicable to foreign private issuers. We comply with the requirements of the NYSE and SEC and have no significant differences to report between the US and UK corporate governance standards.

How we comply with the Code

Board leadership and company purpose

Board focus on the long-term sustainable success of the Company. It leads by example, ensuring effective engagement with, and considering the interests of, stakeholders.

Division of responsibilities

Effective leadership, with the correct balance of Executive and Non-Executive Directors with clear definition of the respective responsibilities of the Board and the executive leadership.

Composition, succession and evaluation

Ensures an appropriate balance of skills, experience and knowledge. An effective evaluation of Board performance and succession planning is crucial in this.

Compliance and culture

Driving performance aligned to the Life Unlimited Purpose and its culture around Care, Collaboration and Courage. Ensuring business is conducted ethically.

Audit, risk and internal control

With the oversight of the Board, the Audit Committee oversees the independence and effectiveness of internal and external audit functions, satisfies itself on the integrity of financial and narrative statements, and reviews the effectiveness of processes to manage risk and internal control.

Remuneration

Aims to ensure that the executive team is appropriately and fairly incentivised, and aligned with long-term, sustainable strategic execution. We also monitor wider colleague remuneration across the business.

Board of Directors

Rupert Soames OBE

Chair

Appointed as an Independent Non-Executive Director in April 2023 and as Chair in September 2023.



Key skills and competencies:

Rupert has extensive global leadership experience, a proven track record of delivering shareholder value and a deep understanding of UK corporate governance.

Current external appointments:

Chair of the Confederation of British Industry.

Previous experience:

Rupert stepped down in December 2022 after nine years as Group Chief Executive from Serco Group plc, the specialist services business in Health, Defence, Transport and Immigration. Previously, he was Chief Executive Officer of Aggreko plc for 11 years and prior to that Chief Executive of Misy's plc's Banking and Securities Division.

Rupert was Senior Independent Director and a member of the Audit, Remuneration and Nomination Committees for both DS Smith and Electrocomponents plc (now RS Group).

Nationality:



British

John Rogers

Chief Financial Officer

Appointed Chief Financial Officer in April 2024.



Key skills and competencies:

John has extensive financial and commercial leadership experience across a range of sectors and on a global basis, as well as a track record of delivering complex international transformation programmes.

Current external appointments:

Non-Executive Director of Grab Holdings Limited.

Previous experience:

John has served as the Chief Financial Officer at WPP plc, where he successfully led the implementation of their global transformation programme. Prior to this, he served as Chief Executive Officer of Argos, Habitat and Sainsbury's clothing and general merchandise businesses, and as Chief Financial Officer at J Sainsbury plc. John also acted as Chair of the Audit Committee for Travis Perkins.

Nationality:



British

Deepak Nath

Chief Executive Officer

Appointed Chief Executive Officer in April 2022.



Key skills and competencies:

Deepak brings global leadership and risk management expertise and has a track record of driving growth at major healthcare companies through delivering a significant improvement in execution and building a strong results-focused culture.

Current external appointments:

Director of MDIC (effective February 2025) and AdvaMed.

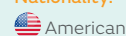
Previous experience:

He began his career as a scientist in computational physics at Lawrence Livermore National Laboratory and holds a BSc and MSc in Mechanical Engineering and a PhD in Theoretical Mechanics from the University of California, Berkeley.

Prior to joining Siemens Healthineers, he held roles at both Amgen and McKinsey and spent 10 years at Abbott Laboratories, Inc. culminating in his appointment as President of Abbott Vascular.

At Siemens Healthineers (2018–2022) he was President of the Diagnostics business responsible for \$6 billion of revenue and 15,000 employees.

Nationality:



American

Angie Risley

Senior Independent Director

Appointed Independent Non-Executive Director in September 2017, Senior Independent Director from October 2024.



Key skills and competencies:

Angie has held both executive and non-executive roles in a wide range of sectors, including a regulated environment, ensuring she is well placed to fulfil her obligations as Senior Independent Director. Angie has gained experience in a wide range of sectors, including a regulated environment. This diversity of experience is welcomed by the Board and the Remuneration Committee. Angie is also an additional resource and sounding board for Smith+Nephew's own internal Human Resources function.

Current external appointments:

Non-Executive Director, Chair of the Remuneration Committee and member of the Responsible Business and Nominations Committees at InterContinental Hotels Group plc.

Previous experience:

From 2007 to 2013, Angie was the Group HR Director for Lloyds Banking Group and was Group HR Director of J Sainsbury plc and a member of their Operating Board from January 2013 to May 2023.

Over the years, Angie has been a member of the Low Pay Commission and has held a number of Non-Executive Directorships with Biffa plc, Arriva and Serco Group plc.

At Serco Group plc she was the Chair of the Remuneration Committee. Previously she attended Remuneration Committees of Whitbread plc and Lloyds Bank.

Nationality:



British

Jo Hallas

Independent Non-Executive Director

Appointed Independent Non-Executive Director in February 2022 .



A C

Key skills and competencies:

Jo has extensive international experience focused on business transformation through both organic and acquisitive growth in global industrial and consumer sectors. She brings valuable expertise which will help Smith+Nephew build upon and achieve our strategic ambitions.

Current external appointments:

None.

Previous experience:

Jo commenced her career at Procter & Gamble based in Germany, the US, Thailand and the Netherlands.

She then joined Bosch where she held a business unit leadership role in their Power Tools division followed by Invensys in 2009, where she ran

their global heating controls business unit, including launching its first smart home offer.

She then moved to Spectris plc, where she had responsibility for a portfolio of global industrial technology businesses, as well as for the Group's digital strategy.

From April 2019 to April 2023, Jo served as Chief Executive Officer for Tyman plc, where she made sustainability a core foundation of the group's strategy.

Jo was also previously Chair of the Remuneration Committee for Norcross plc.

Nationality:

British

Simon Lowth

Independent Non-Executive Director

Appointed as Independent Non-Executive Director in January 2024.



A N

Key skills and competencies:

Simon has extensive experience in finance, accounting, risk and corporate strategy as well as mergers and acquisitions, and brings a wealth of expertise across a wide range of sectors, including within regulated industries. Having served as the CFO in four FTSE 100 companies, he has deep experience of capital markets, implementing strategic change, cost transformation and performance improvement programmes as well as understanding how technology can be used to transform a business.

Current external appointments:

- Group Chief Financial Officer of BT Group.

Previous experience:

Simon was previously Group Chief Financial Officer at BG Group, AstraZeneca and Scottish Power. Before joining Scottish Power, he led the Industrial Practice of McKinsey in the UK. He previously served as a Non-Executive Director on the Board of Standard Chartered.

Nationality:

British

John Ma

Independent Non-Executive Director

Appointed Independent Non-Executive Director in February 2021 .



C

Key skills and competencies:

John has an impressive track record in medical device businesses and his contribution provides value as Smith+Nephew continues to develop innovative ways to grow and serve our markets with a focus towards Asia Pacific regions. He is an established healthcare leader and has strong experience of driving market entry and growth within Emerging Markets.

Current external appointments:

Founder, Chair and Chief Executive of Ronovo Surgical.

Previous experience:

In 2000, John joined GE Healthcare and became Vice President and General Manager of their Global Product Company in China. John has also held a number of senior positions as President

of Asia Pacific regions at Pentair Inc., Vice President of Express Scripts Inc., and Global Partner of Fosun Group. He initially joined Fosun Pharma to lead their medical device business and in 2014 became President of Fosun Healthcare Holdings. He served as a key member of their healthcare investment committee which went on to establish a global presence across the US, Europe, Israel and China. In 2017, John joined Intuitive Surgical as their Senior Vice President of Strategic Growth Initiatives. He has previously served as a Non-Executive Director for both Haier Electronics Group and Clinical Innovations LLC.

Nationality:

American

Jez Maiden

Independent Non-Executive Director

Appointed Independent Non-Executive Director and as a member of the Audit and Remuneration Committees in September 2023. Appointed Chair of the Audit Committee in March 2024.



A R

Key skills and competencies:

Jez has extensive financial experience across a diverse range of industries and sectors. Jez brings more than 15 years of global experience both as a FTSE Chief Financial Officer and as a Non-Executive Director on boards of companies addressing strategic and operational challenges across a number of different industries, including life sciences and healthcare. He has had oversight of large operations in the US, Europe and Asia in highly regulated industries.

Current external appointments:

- Senior Independent Director, Travis Perkins plc.
- Non-Executive Director and member of the Audit Committee at Intertek Group plc.

Previous experience:

Jez retired in 2023 as Group Finance Director at Croda International plc, the FTSE 100 global speciality chemicals company, and previously held similar roles at National Express Group plc and Northern Foods plc. He has served as the Senior Independent Director at Synthomer PLC, and at both PZ Cussons plc and Synthomer PLC he chaired the Audit Committee and served on the Remuneration Committee. He is a fellow of the Chartered Institute of Management Accountants.

Nationality:

British

Board of Directors continued

Katarzyna Mazur-Hofsaess

Independent Non-Executive Director

Appointed Independent Non-Executive Director in November 2020.



Key skills and competencies:

Katarzyna demonstrates a true passion for customer focus and maintains an impressive track record in senior leadership within the MedTech industry. She is a qualified medical doctor (PhD) and has a wealth of experience in the medical devices and orthopaedic sectors. Her Chief Executive Officer experience of a global company and valuable industry knowledge will help drive innovation and ensure the continued development of Smith+Nephew.

Current external appointments:

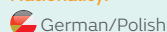
- Chief Executive Officer, Care Enablement (MedTech segment), at Fresenius Medical Care AG and a member of the Management Board.

Previous experience:

Katarzyna commenced her corporate career at Roche in Poland, was later recruited by Abbott Laboratories to manage their diabetes care division in Poland and became Country General Manager.

Her career progressed to General Manager of Molecular Diagnostics Division for EMEA and eventually to Divisional Vice President Abbott Diagnostics for Europe. In 2010, she became President EMEA region at Zimmer, following the Biomet acquisition, and led the integration in the region and served as President EMEA for Zimmer Biomet, leading the orthopaedic company. In 2018, she joined Fresenius Medical Care, the renal company, as CEO EMEA and Member of the Management Board. Effective January 2022, Katarzyna took over responsibility for the globally operating Care Enablement segment in which Fresenius Medical Care AG has consolidated its €5.5 billion healthcare products business into one MedTech organisation. Her responsibility includes research and development, quality and regulatory, manufacturing, supply chain and commercial operations.

Nationality:



Marc Owen

Independent Non-Executive Director

Appointed Independent Non-Executive Director in October 2017 and held the role of Senior Independent Director from September 2022 to September 2024.



Key skills and competencies:

Marc is a proven leader with an astute strategic vision, capable of building significant international healthcare businesses. He has strong commercial healthcare expertise. Marc is responsible for ESG through his role as Chair of the CCC.

Current external appointments:

None.

Previous experience:

Marc commenced his healthcare and technology career at McKinsey & Company, where he progressed to senior partner and eventually became a founding partner of McKinsey's Business Technology Office. In 2001, Marc joined McKesson Corporation and served as Executive Vice President and member of their Executive Committee.

He delivered strategic objectives and led over 40 acquisitions and divestments over a 10-year period. In late 2011, he headed McKesson Specialty Health, which operates over 130 cancer centres across the US and provides market intelligence, supply chain services, patient access to therapy, provider and patient engagement and clinical trial support. In 2014, he was appointed Chair of the European Management Board at Celesio AG. He retired in March 2017 once he had improved operations, set the strategy and recruited his successor.

Nationality:



Bob White

Independent Non-Executive Director

Appointed Independent Non-Executive Director in May 2020.



Key skills and competencies:

Bob is an experienced leader with more than 25 years' worth of industry relevant experience. He is an influential and well-known figure in the medical technology sector and has an impressive track record in delivering growth and fostering innovation. He brings valuable global medical technology insight to the Board, which will prove fundamental in helping to shape and develop the future strategic direction of Smith+Nephew healthcare expertise.

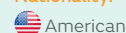
Current external appointments:

- Member of the Board of Cadence, Inc.
- Member of the Supervisory Board of Philips (pending approval at AGM, May 2025).

Previous experience:

Bob has held a number of senior Vice President positions throughout his career, most recently as Executive Vice President and President at Medtronic plc. He was also senior Vice President at Chemdex Corporation, Accelrys Inc., SourceOne Healthcare Technologies, Inc., GE Healthcare and Covidien as President for Emerging Markets and President for Respiratory and Monitoring Solutions. He then became Senior Vice President and President of Medtronic Asia Pacific, having led the integration of Covidien Asia Pacific when it was acquired by Medtronic plc in 2015.

Nationality:



Directors who have joined the Board since 31 December 2024

Sybella Stanley

Independent Non-Executive Director

Appointed Independent Non-Executive Director in February 2025. Sybella is a member of the Remuneration Committee and will assume the role of Chair of the Remuneration Committee from 30 June 2025.



Key skills and competencies:

Sybella brings broad international executive and non-executive experience of culturally diverse multinational organisations and interactions with the London Investment Community.

Current external appointments:

Director of Corporate Finance at RELX Group, the global provider of information and analytics, and Co-Chair of the Development Board of Somerville College, Oxford.

Previous experience:

Sybella retired in December 2024 from the Board of Tate & Lyle plc where she served for nine years as an Independent Non-Executive Director and was Chair of the Remuneration Committee. She served for nine years as an Independent Non-Executive Director of Merchants Trust PLC and as Senior Independent Director and Chair of the Remuneration Committee until her retirement in March 2024. She was a member of the Industrial Development Advisory Board of the Department for Business, Energy & Industrial Strategy for eight years. Sybella qualified as a barrister and, before joining RELX Group, she was a member of the M&A advisory teams at Baring Brothers and Citigroup.

Nationality:



Helen Barraclough

Group General Counsel and Company Secretary

Appointed Company Secretary in April 2022.



Key skills and competencies:

Helen is a qualified Solicitor admitted in England & Wales and a Chartered Governance Professional. She also serves as the Chief Risk Officer for Smith+Nephew.

Previous experience:

Helen started her career with Allen & Overy LLP and, prior to joining Smith+Nephew, held senior legal roles at WPP plc and Nomura International plc.

Nationality:



Board members whose tenure ceased during the year

Anne-Françoise Nesmes, CFO, stepped down from the Board on 31 March 2024.

Rick Medlock did not stand for re-election at the AGM on 1 May 2024.

Executive Committee



The CEO, with support from the CFO, leads the Executive Committee of Smith+Nephew which is responsible for the day-to-day operational management of the Group and executing its strategy.

» See page 104 for CEO and CFO biographies

Paul Connolly
President Global Operations



Nationality: American/Irish
Location: Andover, US

Paul brings more than 30 years of global manufacturing and supply chain experience at multinational companies with a strong track record in delivering operational excellence and transformation programmes.

Prior to joining Smith+Nephew, Paul held senior roles at Goodyear, DePuy, Inc., and other Johnson & Johnson family companies.

Rohit Kashyap
President Advanced Wound Management and Global Commercial Operations



Nationality: American
Location: Fort Worth, US

Rohit brings more than 20 years' experience across wound care, surgical management, business development and global commercial leadership.

Prior to joining Smith+Nephew, Rohit worked at Acelyt, a global advanced wound care company, most recently as President, Global Commercial and at MIMEDX as President of the Wound and Surgical business and as Chief Commercial Officer.

Mizanu Kebede
Chief Quality & Regulatory Affairs Officer



Nationality: American
Location: Georgia, US

Mizanu brings more than 25 years of leadership experience in Quality and Regulatory Affairs. Prior to Smith+Nephew, Mizanu held senior roles at Avanos Medical, Life Technologies SETRIS Corporation and Johnson & Johnson family companies.

Alison Parkes
Chief Compliance Officer



Nationality: British
Location: Hull, UK

Prior to moving into her current role, Alison served in multiple roles across the Company, including as the Compliance Officer for the Global Advanced Wound Management business, as the Compliance Leader for APAC and Emerging Markets, and establishing and leading the Global Compliance Programme Effectiveness & Improvement team.

Scott Schaffner
President Sports Medicine



Nationality: American
Location: Austin, US

Scott has more than 30 years' experience across the medical device industry, including cardiac rhythm management, neuromodulation, spine and sports medicine.

Prior to moving into his current role, Scott served as Executive Vice President, Global Marketing and US Commercial, Sports Medicine, Senior Vice President, Global Marketing, Sports Medicine and Vice President, Sports Medicine.

Phil Cowdy
 Chief Corporate Development
 & Corporate Affairs Officer



Nationality: British
Location: Watford, UK

Prior to joining Smith+Nephew, Phil served as a senior Director at Deutsche Bank AG for 13 years specialising in corporate finance and equity capital markets. Phil serves as the representative of Smith+Nephew on the Board of Bioventus Inc.

Craig Gaffin
 President Orthopaedics



Nationality: American
Location: Memphis, US

Craig has held numerous commercial leadership roles over the past 25 years with leading Medical Device and Biotechnology companies such as Stryker and Amgen. Craig has

led through progressive complexity, challenge and scale across sales and marketing in both start-up and established organisations. Craig is a graduate of the University of Vermont and the Olin School of Business at Washington University in St. Louis.

Elga Lohler
 Chief HR Officer



Nationality: American/South African
Location: Fort Worth, US

Prior to joining Smith+Nephew, Elga held Human Resources roles at Transnet SOC Ltd, Sensormatic (now Tyco International plc) and Advanced Tissue Sciences, Inc. (acquired by Smith+Nephew in 2002).

Vasant Padmanabhan
 President Research &
 Development, ENT and
 Emerging Markets



Nationality: American
Location: Andover, US

Vasant has over 25 years of global MedTech leadership experience. Prior to Smith+Nephew, Vasant held senior roles at Thoratec Corporation and Medtronic plc as Vice President

of Connected Care R&D and Operations and Vice President of Product Development for the Implantable Defibrillator business.

Executive Officers whose tenures ceased during 2024, and recent appointments

Brad Cannon, President Orthopaedics & Americas, served until 4 March 2024. Craig Gaffin was appointed President Orthopaedics effective as of 4 March 2024.

Helen Barraclough
 Group General Counsel
 and Company Secretary



Nationality: British
Location: Watford, UK

Prior to joining Smith+Nephew, Helen started her career at Allen & Overy LLP and held senior roles at WPP plc and Nomura International plc. She is a qualified solicitor admitted in England & Wales and a Chartered Governance Professional. She also serves as the Chief Risk Officer for Smith+Nephew.

Corporate governance framework

Our Board

 www.smith-nephew.com

The Board is accountable to shareholders for the performance and long-term sustainable success of the Company. It approves the strategy of the Group, evaluates and monitors the management of risk, and oversees the implementation of strategy in order to achieve sustainable growth.

The Board delegates certain matters to the Audit, Remuneration, Nomination & Governance and Compliance & Culture Committees which support the Board in carrying out its responsibilities.

Full details of the Matters Reserved to the Board can be found on the Company's website.

Audit Committee

>> pages 130–135

Ensures the integrity of the Company's financial reporting, systems and controls.

Oversight of risk management process. Reviews and monitors climate change disclosures and related ESG financial reporting obligations. Monitors the Group's cyber resilience.

Ensures effectiveness of internal and external audit functions.

Remuneration Committee

>> pages 136–139

Determines Remuneration Policy and packages for Executive Directors and senior management, having regard to pay across our workforce.

Ensures that the reward strategy aligns with our purpose, values and long-term strategy.

Nomination & Governance Committee

>> pages 119–125

Reviews size, skills, experience, knowledge and composition of the Board, succession planning, diversity and governance matters.

Compliance & Culture Committee

>> pages 126–129

Reviews, monitors and has oversight of ethics and compliance, quality and regulatory, culture, sustainability matters and metrics, stakeholder relationships and related legal matters across the Group.

Finance & Banking Committee

A Committee comprising senior executives which approves banking and treasury matters, guarantees and Group structure changes relating to mergers, acquisitions and disposals.

Disclosures Committee

A Committee comprising senior executives which oversees and approves public announcements and communications to investors and Stock Exchanges. Reviews communications and reporting requirements in respect of market sensitive information.

Executive Committee

>> pages 108–109

The Board delegates the day-to-day operational management and implementation of Group strategy to the CEO and Executive Committee.

The Executive Committee recommends and, following Board approval, implements strategy, budget and three-year strategic plan within the Group. It ensures cross-functional alignment in order to deliver on strategy and reviews major investments, divestments and capital expenditure proposals.

The Executive Committee also focuses on people and organisational culture, reviewing recruitment, attrition and development initiatives within the Company and developing and monitoring succession planning and talent pipeline below Board level.

The Executive Committee meets at least 10 times per year to review commercial and operating results against budget, key initiatives, KPIs and performance metrics aligned to delivering Group strategy.

The Executive Committee forms subcommittees including those listed below:

Group Ethics & Compliance Committee

Mergers & Acquisitions Investment Committee

12-Point Plan Steering Committee*

ESG Steering Committee

Global Crisis Management team

New Product Development Review Committee

Security & Privacy Steering Committee

AI Working Group

* Committee retired in 2025 following closure of the majority of workstreams under the 12-Point Plan.

How we are governed

Chair

Rupert Soames

- Responsible for the effective leadership and operation of the Board and for facilitating the review of its composition, effectiveness and development.
- Promotes effective Board relationships, encouraging constructive challenge and facilitating effective communication between Board members and supporting a culture of openness, challenge and debate.
- Ensures effective communication and dialogue with the Company's stakeholders, while maintaining an appropriate balance between stakeholders' interests.
- Leads relations with shareholders in order to understand their views on governance and performance against strategy.
- Responsible for promoting high standards of governance by the Board and its Committees.
- Regularly reviews the Board composition and succession planning.



Senior Independent Director

Angie Risley

- Acts as a sounding board for the Chair and as an intermediary for other Directors and stakeholders as necessary.
- As a member of the Nomination & Governance Committee, leads the Board evaluation process and searches for Chair and Independent Non-Executive Directors to ensure effective succession.
- Acts as an alternative contact for stakeholders to raise concerns (in addition to Chair and senior management).



Independent Non-Executive Directors

Jo Hallas, John Ma, Katarzyna Mazur-Hofsjaess, Simon Lowth, Jez Maiden, Marc Owen, Sybella Stanley and Bob White

- Comprise more than half of Board membership in order to meet the independence criteria set out in the 2018 Code. Ensure that no individual/small group can dominate the Board's decision making.
- Provide constructive challenge, give strategic guidance, offer specialist advice and hold executive management to account.



Chief Executive Officer

Deepak Nath

- Responsible for delivering and implementing Group strategy and management of the organisation as a whole. Provides information and participates in Board discussions regarding Group management and operational matters.
- Leads the Executive Committee and ensures its effectiveness in managing the overall operations and resources of the Group.
- Sets tone at the top with regard to culture, compliance and sustainability matters.
- Ensures the Chair and Board are updated regularly regarding key matters and maintains relationships with shareholders, advising the Board accordingly.



Chief Financial Officer

John Rogers

- Supports the CEO in developing and implementing Group strategy.
- Responsible for ensuring effective financial reporting, investor relations, tax, treasury and financial controls are in place within the Group.
- Provides information and participates in Board discussions regarding financial matters.
- Leads Global Finance function, developing key finance talent and succession planning.



Company Secretary

Helen Barraclough

- Supports the Chair and ensures Board members have access to the information required to perform their duties.
- Advises the Board on legal and corporate governance matters and supports the Board in applying the 2018 Code and complying with UK listing obligations, and other statutory and regulatory requirements.
- Provides a channel for Board and Committee communications and a link between the Board and management.



At the close of each Board meeting, the full Board meets for a short closed-session discussion; this is followed by a closed session for the Chair and Non-Executive Directors in the absence of the Executive Directors. The Chair also holds one-to-one discussions with each Board member throughout the year.

Independence of Directors

We require our Non-Executive Directors to remain independent from management so that they are able to exercise independent oversight and effectively challenge management. The Board has determined that all our Non-Executive Directors are independent in accordance with both UK and US requirements. None of our Non-Executive Directors or their immediate families has ever had a material relationship with the Group. None of them receive additional remuneration from the Group apart from Directors' fees, nor do they participate in the Group's share plans or pension schemes. None of them serve as directors of any companies or affiliates in which any other Director is a director. The Board considers all external directorships prior to and during appointment, reviewing any potential conflict of interests and time commitment for both Executive Directors and Non-Executive Directors.

Management of conflicts of interest

None of our Directors, or their connected persons, has any family relationship with any other Director or Officer, or has a material interest in any contract to which the Company or any of its subsidiaries are, or were, a party during the year or up to 13 February 2025.

Each Director has a duty under the Companies Act 2006 to avoid a situation in which they have or may have a direct or indirect interest that conflicts or might conflict with the interests of the Company. This duty is in addition to the existing duty owed to the Company to disclose to the Board any interest in a transaction or arrangement under consideration by the Company.

If any Director becomes aware of any situation that might give rise to a conflict of interest, they must, and do, inform the rest of the Board immediately and the Board is then permitted under the Company's Articles of Association to authorise such conflict. This information is then recorded in the Company's Register of Conflicts, together with the date on which authorisation was given. In addition, each Director certifies on an annual basis that the information contained in the Register of Conflicts is correct.

When the Board decides whether to authorise a conflict, only the Directors who have no interest in the matter are permitted to participate in the discussion and a conflict is only authorised if the Board believes that it would not have an impact on the Board's ability to promote the success of the Company in the long term. Additionally, the Board may determine that certain limits or conditions must be imposed when giving authorisation. No actual conflicts have been identified during the year, which have required approval by the Board. However, the situations that could potentially give rise to a conflict of interest have been identified and duly authorised by the Board and are reviewed at least on an annual basis.

Outside directorships

We encourage our Executive Directors to serve as Non-Executive Directors of external companies. We believe that the work they do as Non-Executive Directors of other companies has benefits for their executive roles with the Company, giving them a fresh insight into the role of a Non-Executive Director.

Deepak Nath is a Director of MDIC and AdvaMed, and John Rogers is a Non-Executive Director of Grab Holdings Limited.

Re-appointment of Directors

In accordance with the 2018 Code, all Directors offer themselves to shareholders for re-election annually, except those who are retiring immediately after the AGM. Each Director may be removed at any time by the Board or the shareholders.

Board support

Together with the Executive Directors and the Company Secretary, the Chair ensures that the Board is kept properly informed. Each Director has access to the Company Secretary, who helps to ensure that Board procedures and good corporate governance practices are followed. Directors are permitted to take independent professional advice at the Company's expense if required in order to enable them to fulfil their duties.

Each Director is covered by appropriate directors' and officers' liability insurance and there are also Deeds of Indemnity in place between the Company and each Director. These Deeds of Indemnity mean that the Company indemnifies Directors in respect of any proceedings brought by third parties against them personally in their capacity as Directors of the Company. The Company would also fund ongoing costs in defending a legal action as they are incurred rather than after judgement has been given. In the event of an unsuccessful defence in an action against them, individual Directors would be liable to repay the Company for any damages and to repay defence costs to the extent funded by the Company.

Board activities



The following pages provide an overview of the key topics reviewed, monitored, considered and debated by the Board in the year to 31 December 2024. Board and Committee members also have informal touchpoints, updates and calls throughout the year as needed.

Every Board session included:

- A report from the CEO
- 12-Point Plan update
- Group finance report and outlook
- Updates from Committee Chairs
- A report from legal and governance
- An Investor Relations report
- A closed session for the full Board followed by a NED closed-session discussion.

Where Board meetings take place at the Croxley offices, a lunch in the office canteen is scheduled for Board members.

January

Completion of CartiHeal acquisition

February

Site visits to Hull and Croxley, approval of Annual Report, Sustainability Report, risk review, FY results and dividend

March

Chair visit to Portugal and senior leadership team meeting

April

Greater China deep dive, cyber and business continuity review, M&A and post-acquisition reviews, funding and liquidity review, Q1 trading statement approval

May

AGM and investor touchpoints

June

Site visits to Andover and Pittsburgh, portfolio discussion

July

Investor and register review, zero-based budget and restructuring update, H1 trading statement approval, sustainability strategy review, IT investment update

September

Strategy review and Board discussion, update on 12-Point Plan move to business-as-usual and portfolio review, Board evaluation, talent management strategy review, approval of Senior Independent Director appointment, review of Melton project

October

Q3 trading statement approval

December

Approval of 2025 budget and three-year plan, Investor sentiment discussion, succession planning, cyber incident response session, update on geopolitical risk mapping, review of enterprise IT and AI strategy, competitor overview

Board priorities, stakeholders and outcomes

In 2024, the Board continued to focus on its stated priorities:

Link to our strategic priorities



Link to stakeholder groups

- 1 People
- 2 Investors
- 3 Customers/Suppliers
- 4 Governments/Regulators
- 5 Environment/Communities

Purpose and culture

Reviewing decision making in alignment with the purpose of Life Unlimited and culture pillars of Care, Collaboration and Courage



- 1
- 2
- 3
- 4
- 5

2024 activities and outcomes

- Reviewing and monitoring Group strategy to ensure alignment to Life Unlimited and culture pillars
- Approval of the Code of Conduct and Business Principles
- Review of sustainability strategy, climate-related disclosures and key performance metrics
- Board listening sessions with wider workforce
- Review of initiatives to support employee wellbeing including further improvement of the employee assistance programme
- Review of Gallup results and employee engagement, gender pay gap data and reporting, and initiatives for the wider workforce
- Review of initiatives to strengthen and embed a culture of inclusion and belonging throughout the Group, including receiving reports on engagement with employee interest groups at Board listening sessions
- Overseeing succession planning at Board and senior management level and talent management strategy within the organisation.

Areas of focus for 2025

- Reviewing and monitoring of continued implementation of performance-based culture aligned with Life Unlimited, culture pillars and Code of Conduct
- Continued focus on talent management strategy and succession planning
- Monitoring implementation of CSRD framework and reporting.

Strategy and operational excellence

Continued monitoring of 12-Point Plan, embedding a performance culture and flawless execution across all areas of the business



- 1
- 2
- 3
- 4
- 5

2024 activities and outcomes

- Reviewing performance against strategy, budgets, and financial and business plans
- Approving half-year, full-year and trading updates
- In-depth sessions on Orthopaedics, Sports Medicine & ENT and Advanced Wound Management business units aligned with 12-Point Plan initiatives and broader long-term strategic initiatives
- Monitoring Global Operations updates and response to external and internal challenges in line with key metrics and deliverables
- Deep-dive session on Greater China business.

Areas of focus for 2025

- Review of implementation of post-12-Point Plan vision and strategy
- Continued monitoring of Orthopaedics execution excellence and metrics
- Monitoring of implementation of AI and IT strategy and roadmap.

Capital allocation and cost management

Ensuring efficient and effective use of company resources and implementation of cost and restructuring programmes



1 2 3 4 5

2024 activities and outcomes

- Setting priorities for capital investment across the Group
- Reviewing and monitoring progress against the 12-Point Plan and related metrics in support of the Group strategy
- Approving annual budget, financial plan, three-year strategic plan
- Approving major borrowings and finance and banking arrangements
- Approving the \$1 billion general corporate purposes bond issue which was used to repay private placements and drawn amounts under the RCF
- Determining the dividend policy and dividend recommendations.

Areas of focus for 2025

- Continuing to review structure and cost management activities against strategic plans including zero-based budgeting (ZBB) initiatives
- Focus on ROIC, cash and EPS key metrics to drive shareholder value creation.

Innovation and portfolio

Understanding the industry, competitor landscape and innovation pipeline and portfolio to drive value creation



1 2 3 4 5

2024 activities and outcomes

- Review of performance and return on investment of acquisitions and integration planning
- Review of global innovation pipeline and product portfolio with a focus on differentiation and delivery for our customers, patients and stakeholders.

Areas of focus for 2025

- Continued focus on portfolio
- In-depth reviews of competitor landscape and opportunities to differentiate.

Risk management and oversight

Evaluating strategy and decision making within risk appetite and ongoing review of the controls environment



1 2 3 4 5

2024 activities and outcomes

- Overseeing the Group's risk management programme and related processes
- Review and approval of principal risks of the Group and adapting Board agenda to reflect these accordingly
- Review of the risk registers, risk mapping exercises and annual review of the Board appetite for risk
- Ongoing consideration of key risks within all Board discussions including AI and IT strategy and investment, Greater China strategy, cybersecurity and incident response, business continuity and disaster recovery and geopolitical events
- Discussion at Board and Committee meetings on key topics including the potential impact of cybersecurity attacks and breaches in the current geopolitical context, regulatory changes, supply chain disruption, global talent outlook, and post pandemic constraints and trends
- Review of investor perspectives and sentiment throughout the year
- Review of Board and executive succession planning and changes to the composition of the Board and its Committees.

Areas of focus for 2025

- Enhanced focus on geopolitical risk mapping and crisis management
- Continued focus on cyber resilience and implementation of governance around AI strategy
- Embedding new risk reporting requirements and enhanced material controls framework.

Our investor presentations are available to download on our website

 www.smith-nephew.com

S172 Statement

Board members are required to promote the success of the Company for the benefit of our stakeholders, including customers, investors, employees, suppliers, regulators and our wider communities. Details of our engagement with our main stakeholder groups is set out on pages 96-100. This statement summarises how our Directors addressed the matters set out in section 172(1) (a) to (f) of the Companies Act 2006.

The likely consequence of any decision in the long term

Directors appreciate that assessing the consequences of their long-term decisions, particularly in the current political and geopolitical environment, is complex and often requires careful balancing of competing stakeholder interests.

To support their decision making, Directors are provided with information that describes the long-term proposal under consideration and how it aligns with, or otherwise impacts, the Group's strategy, budget and three-year plan as well as our purpose of Life Unlimited.

Proposals for significant Board decisions include a potential stakeholder impact assessment covering employees, suppliers, customers, government, regulators, local communities, environment and investors.

Interests of our people

We are committed to cultivating a high-performing, inclusive workplace where everyone is valued and respected, and feels a true sense of belonging. We prioritise creating a psychologically safe environment that drives innovation, fuels business success, and enhances engagement and personal fulfilment. Our three pillars of Care, Collaboration and Courage are the foundations on which we build a robust, respectful and accountable culture.

Papers relevant to the Directors' assessment of how effectively this is being achieved are normally provided by the Chief HR Officer or Head of Reward, for input and challenge and decision or awareness by Directors.

The importance of developing the Group's business relationships with suppliers, customers and others

A key priority for Directors as custodians of a responsible business is to ensure the Company develops and maintains relationships with customers, suppliers and other stakeholders that support the Group's purpose of Life Unlimited.

Our suppliers are expected to adhere to our Code of Conduct and Business Principles, and maintain corporate standards and behaviours consistent with our own.

Papers relevant to the Directors' assessment of how effectively these relationships are being managed are provided for input and challenge and decision or awareness.

The impact of the Group's operations on the community and our environment

We recognise the need to reduce our impact on our planet. We implement initiatives to manage energy, waste and water efficiently and reduce our GHG where possible, and are mindful of the impact our decision have on the environment.

Papers relevant to the Directors' assessment of how effectively we are managing our impact on the community and environment are provided for input and challenge and decision or awareness by Directors.

Matters considered by the Board include:

- Innovation pipeline and product portfolio review
- Budget planning aligned to our strategy
- Capital allocation priorities
- Business unit reviews (Orthopaedics, Sports Medicine & ENT and Advanced Wound Management)
- Dividend policy
- Sustainability strategy
- Succession planning and talent management
- Consideration of these factors within our ERM framework and principal risks.

For more details of our business model, see pages 16-17.

Matters considered by our Board and its Committees include:

- Alignment of Group strategy to Life Unlimited and cultural pillars
- Code of Conduct and Business Principles
- Board listening sessions with the wider workforce
- Initiatives to support employee wellbeing
- Gallup results and employee engagement
- Initiatives to support talent development and succession planning
- Performance against health and safety metrics.

For more information, see the culture and belonging report on pages 59-63.

Matters considered by our Board and its Committees include:

- Quality audits and product governance
- Modern Slavery Statement
- Sustainability strategy
- Third party guide to working with Smith+Nephew
- Supply chain and procurement
- Smith+Nephew Academy and medical education initiatives to support the safe and effective use of our products
- Consideration of these factors within our ERM framework and principal risks.

Matters considered by our Board and its Committees include:

- Sustainability strategy
- Consideration of sustainability within our ERM framework and principal risks
- Evaluation of ESG performance versus goals and metrics
- ESG-related measures for executive remuneration plans
- Our people and culture strategy
- Emerging legislation which may have impact in these areas.

For more information, see the ESG Report on 65-77.

Our desire to maintain our reputation for high standards of business conduct

Our strong culture pillars of Care, Courage and Collaboration promote good governance across our business and are crucial to fostering an environment of doing business the right way. Directors have a commitment to doing business ethically, with integrity, honesty and professionalism.

Papers relevant to the Directors' assessment of how effectively we are maintaining our high standards of business conduct are provided for input and challenge, and decision or awareness.

Matters considered by our Board and its Committees include:

- Code of Conduct and Business Principles
- Ethics and compliance programmes
- Global data privacy compliance
- Corporate governance framework
- ERM framework
- Whistleblower policies, investigations and effectiveness review
- Anti-bribery and corruption policy.

For more information, see 'How we are governed' on pages 110–112 and the Compliance & Culture Committee report on pages 126–129.

Our aim to act fairly between members of the Group

Directors seek to act fairly in the interests of all shareholders. It is acknowledged that shareholders often have differing views and opinions and Directors seek to weigh up the range of opinions to arrive at decisions that promote the long-term success of the Group.

There is an extensive investor engagement programme throughout the year and retail shareholders have access to Directors at the AGMs, as well as through our investor.relations@smith-nephew.com email.

Papers relevant to this duty are provided for input and challenge, and decision or awareness.

Matters considered by our Board and its Committees include:

- AGM
- Group and individual shareholder meetings
- Board discussions on investor feedback
- Investor relations plan.

For more information, see shareholder engagement on page 98.

Decision making

When making decisions, the Board supports the Company's objective of working to improve the quality of healthcare through investment in new technologies and services, industry-leading medical education and evidence programmes, and efficient and resilient manufacturing and distribution, while balancing the interests of all of our stakeholders. Examples of how stakeholder interests are taken into account in Board decision making include:

Decision	How stakeholder interests were taken into account	Stakeholder groups
Investment in innovation	Directors review the product development pipeline and approve annual investment into R&D. New product development is driven by observation and engagement with customers to identify unmet clinical needs. Our product development follows a vigorous phase-gate process to ensure that the product meets the needs of customers, will contribute to Smith+Nephew's transformation to being a higher-growth business, and integrates sustainability principles into design and packaging.	Patients, customers, investors
Cybersecurity	Our Board and its Committees review the cybersecurity and information security strategy and implementation/risk reports in order to ensure that the Company is effectively managing risk, both in terms of the opportunities to enhance our governance and deliver value to our patients and customers through connected products and the risk management framework that the Company adopts and implements in order to develop a robust framework to protect the data and interests of our stakeholders.	Patients, customers, suppliers, investors
Acquisition of CartiHeal	The acquisition of CartiHeal was completed by the Group in January 2024 (see page 12). Directors reviewed the acquisition strategy and potential impact on patients, customers, suppliers, employees, investors and regulators, particularly in light of the geopolitical and macroeconomic conditions in the region at the time of completion. Post-completion, the Directors received regular updates on the progress of integration of the acquisition from a strategic, financial, operational and cultural perspective in order to evaluate the ongoing impact on stakeholders post-acquisition.	Patients, customers, suppliers, employees, investors, regulators
Melton project	Since initial approval of the project to design and develop a new site in Melton near Hull, Directors have regularly reviewed the implementation plans for the site and the potential impact of any proposed changes to the plan on customers, suppliers, employees, investors and regulators, particularly in light of increased macroeconomic pressures which have exacerbated since initial approval of the project. The Directors receive regular updates on the progress of implementation of the project from a strategic, financial, operational and cultural perspective in order to evaluate the ongoing impact on stakeholders of any proposed changes to the project in line with the Company's strategy to transform to a higher-margin business.	Customers, suppliers, employees, investors, regulators, local communities

Board site visits

2024 site visits were aligned to key strategic and operational priorities for the Board with a focus on Smith+Nephew's robotics platform in Pittsburgh and Croxley, and the AWM business in Hull. In addition to the formal site visits, our Non-Executive Directors also visited various sites throughout the year (see map) with customised programmes providing on-the-ground insights into Smith+Nephew's global business unit organisation, strategy, operations, innovation, risk, people and culture, regulators, government, investors, local communities and the environment.



10. Hull (UK)

The visit included a focus on the AWM R&D and innovation pipeline, the vision and future of the Melton site, a tour of the manufacturing facility and labs, and touchpoints with staff members over lunch and coffee.

Board Directors who visited

Jez Maiden and Simon Lowth

Site visits and Board Directors who visited

1. Coimbra (Portugal)

Rupert Soames

2. Andover (US)

Rupert Soames, Jez Maiden and Jo Hallas

3. Memphis (US)

Rupert Soames and Jez Maiden

4. Brisbane (Australia)

Jez Maiden

5. Fort Worth (US)

Rupert Soames, Jez Maiden

6. Singapore

Rupert Soames

7. Munich (Germany)

Rupert Soames

8. Aarau (Switzerland)

Rupert Soames

9. Penang (Malaysia)

Rupert Soames

11. Pittsburgh (US)

Board members learned about Smith+Nephew's Robotics journey from the acquisition of Blue Belt Technologies in 2014, to the Brainlab strategic alliance in 2019, to the CORI[®] ecosystem. They received presentations on market overviews and drivers for robotics-assisted surgery, the multiple benefits to surgeons and patients including enhanced precision, repeatable outcomes and hospital differentiation, competitor developments and trends, and ASC strategy. The Board also met members of the Pittsburgh Chamber of Commerce for: an overview of the Pittsburgh Healthtech and MedTech environment and insights into data-driven healthcare; product demonstrations on CORI[®] and various AI solutions under development; a townhall meeting and lunch with the Robotics team, customer calls with four surgeons for a customer's perspective on Smith+Nephew, its products, innovation and customer service; a government affairs presentation on potential healthcare implications and the impact on Smith+Nephew of elections in the US/UK; and an evening event with Sports

Medicine and Advanced Wound Management sales representatives to understand more about the sales representative role and experience at Smith+Nephew and the view of the organisation from a rep perspective.

Board Directors who visited

Rupert Soames, Jo Hallas, Bob White, Marc Owen, Katarzyna Mazur-Hofsjaess, John Ma and Jez Maiden



12. Croxley (UK)

Board members toured the Academy and surgeon centre and had a hands-on experience of our robotics-assisted CORI Surgical System.

Board Directors who visited

Rupert Soames, Jez Maiden, Jo Hallas and Bob White



“The work of the Committee this year reflects the Board’s commitment to succession planning, bringing together a range of diverse talent, expertise, skills and experience, and ensuring the effective transition of responsibilities.”

Rupert Soames

Chair of the Nomination
& Governance Committee




Committee roles and responsibilities

The responsibilities of the Nomination & Governance Committee as set out in the terms of reference on our website are:

- Reviewing the structure, size and composition of the Board and recommending the appointment of Directors and Company Secretary.
- Monitoring the range of skills, knowledge, experience, independence and diversity of the Board.
- Overseeing the annual Board evaluation process, led either externally or internally by the Senior Independent Director.
- Overseeing Board succession plans, including engaging external search consultancies and making recommendations on appointments to the Board.
- Overseeing the induction process for new Directors and the Board development programme to support the ongoing development of all Board members.
- Considering the continued independence of the Non-Executive Directors and any conflict of interest.
- Approving external directorships to be held by the Board and reviewing any conflicts of interest.

The Terms of Reference for the Nomination & Governance Committee describe the role and responsibilities of this Committee more fully and can be found on our website.

 www.smith-nephew.com/en/who-we-are/corporate-governance#terms-of-reference

Our focus for 2025

- Ongoing review of Board structure, size and composition with a view to ensuring that the Board continues to demonstrate the right balance of skills, knowledge and diversity in its broadest sense and to evaluate potential opportunities to increase diversity within the Board and the timeline for doing so.
- Continued enhancement of Board education programmes for Board members, including on the competitor and regulatory landscape, the impact of geopolitical events on the organisation and continued focus on incident planning.

Highlights in 2024

- Appointments of Simon Lowth effective 1 January 2024 as Independent Non-Executive Director and a member of the Audit and Nomination & Governance Committees, Jez Maiden on 1 March 2024 as Chair of the Audit Committee and John Rogers as Executive Director with effect from 1 April 2024.
- Appointment of Angie Risley as Senior Independent Non-Executive Director with effect from 1 October 2024.
- Conducting the Board external evaluation between June and September 2024 (see page 124).
- In-depth Non-Executive discussions on talent management strategy and succession planning respectively.
- Continued implementation of comprehensive induction plans and ongoing development programmes for Board members (see page 123).

Board and Executive appointments in 2024

We welcomed Simon Lowth on 1 January 2024 as a Non-Executive Director and member of the Audit Committee and Nomination & Governance Committee. Simon brings a wealth of expertise across a wide range of sectors, including within regulated industries. His experience of capital markets, implementing strategic change, cost transformation and performance improvement programmes as well as understanding how technology can be used to transform a business, has been a strong addition to the Board.

The Board appointed Angie Risley as Senior Independent Non-Executive Director with effect from 1 October 2024. Angie brings a wealth of experience from her non-executive portfolio roles over a number of years which make her ideally placed to take over the mantle from Marc Owen. We wish to thank Marc for his exceptional contribution in the SID role during his tenure, driving and managing the Chair appointment and induction. Marc remains Chair of the Compliance & Culture Committee and a member of the Audit and Nomination & Governance Committees.

In January 2025, we were delighted to announce the appointment of Sybella Stanley to the Board as a Non-Executive Director with effect from 1 February 2025. Sybella will serve as a member of the Remuneration Committee and will succeed Angie Risley as Chair of the Remuneration Committee with effect from 30 June 2025. Sybella has worked for RELX Plc since 1997 and is currently Director of Corporate Finance. She retired in December 2024 from the Board of Tate & Lyle plc where she

Nomination & Governance Committee Report continued

served for nine years as an Independent Non-Executive Director and was Chair of the Remuneration Committee. I am delighted that our Board has been able to attract such a strong candidate, and we look forward to welcoming Sybella and supporting her as she takes the Remuneration mandate forward, built on the huge contribution that Angie has made during her time as Chair of the Remuneration Committee.

We also approved various other changes to our Committees to support succession planning and to enable Non-Executive Directors to broaden their experience of the organisation. Jez Maiden was appointed as Chair of the Audit Committee on 1 March 2024, succeeding Rick Medlock. Jo Hallas became a member of the Compliance & Culture Committee with effect from 1 May 2024, with Angie stepping down from the Committee on the same date.

John Rogers was appointed as an Executive Director with effect from 1 April 2024 following the departure of Anne-Françoise Nesmes. John is a highly regarded CFO with a proven track record operating around the world and across a number of industry sectors. His extensive experience in transformation and capital markets is especially important given Smith+Nephew's focus on driving greater shareholder value.

With these changes we continue our commitment to fostering diversity in its broadest sense and to ensuring that our Board membership draws from a wide range of backgrounds and cultures.

New Director appointments and process

For our new Board appointments in 2024, the Committee followed the process outlined on the right and considered the shortlist of candidates for each position, taking into account:

- the purpose, values and culture of the business and the Company's strategic priorities;
- the key skills and experience which may be required on the Board and its Committees; and
- the importance of diversity including gender, personal strengths, and social and ethnic backgrounds.

With all of our new appointments, we had a diverse slate of candidates taking into account diversity in its broadest sense. In our appointments, we will always ensure that we select the most qualified candidate for the role in the best interests of the organisation as a whole.

Board and Executive succession planning

Succession planning is a key focus for the Board from both a leadership and governance perspective. The Committee and the full Board engaged in a review of Board and Committee composition and skillsets to ensure alignment with the Company's strategic objectives and culture pillars to enable effective succession planning for Non-Executive and Executive Directors.

The Committee starts Board recruitment well ahead of retirements, understanding the competitiveness of the market. Priorities for recruiting and succession planning include the ability to respond to evolving strategic imperatives for the Company, adding and enhancing Board skills including in the areas of healthcare sector perspectives, finance, operational, digital/cyber experience, ESG and enhancing diversity in the boardroom.

The full Board also reviewed the Board Skills Composition Matrix (please see table on page 121), which sets out the tenure, skills, competencies and diversity of the Board. The Board composition and skills matrix feeds into a formal rolling succession plan for Directors.

The Board discusses succession plans with management for senior executives, with two dedicated closed sessions for the Non-Executive Directors with the Chief Human Resources Officer on the talent management strategy and also on succession planning, the internal talent pipeline and the development programmes which support those initiatives. Pages 108-109 give details of the members of the Executive Committee, 25% of whom are female, one of whom is of African heritage, one of Asian ethnicity and two of other ethnic groups.

Board appointment process

- 1 Before any appointment is made, the Committee evaluates the balance of skills, knowledge, experience, independence and diversity on the Board.
- 2 In light of this evaluation, the Committee prepares a description of the role and capabilities required for a particular appointment and works with external advisers, as appropriate, to compile a shortlist of candidates based on the role description.
- 3 The Committee (together with external advisers*) then compiles a shortlist including a broad slate of candidates from a wide range of backgrounds to ensure diversity.
- 4 The Committee evaluates the shortlist of candidates on merit and against objective criteria, taking care to ensure that appointees have sufficient time to devote to the position in light of their other commitments. The Committee also assesses any actual or potential conflicts of interest as part of the process.
- 5 Members of the Committee interview key candidates from the shortlist. Other Board members are also involved in the interview process as appropriate. For example, where a candidate is required to have a requisite level of financial expertise, the Audit Committee Chair and CFO would be involved in the interview process.
- 6 The Committee reviews and considers the feedback provided based on the interview process, reference checks and due diligence in arriving at a decision on a candidate to recommend to the Board.

* Russell Reynolds was appointed as the search firm in respect of the appointment of Simon Lowth. Spencer Stuart was engaged for the CFO appointment and Egon Zehnder was engaged for the appointment of Sybella Stanley. All three firms have no other connection with the Company or individual Directors.

Diversity

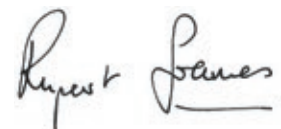
The Committee believes that a Board and management team which has a range of diverse skills, backgrounds and experience is best equipped to take the decisions that will deliver sustainable value to shareholders and other stakeholders. Our Board and Committee Diversity Policy is designed to support these principles.

As part of fulfilling the objective of this policy, the Board has focused on robust and proactive succession planning to address diversity on the Board and will continue to review the composition of the Board to ensure that we have a diverse range of experience and backgrounds. The Committee will continue to appoint Board members on merit, valuing the unique contribution that they will bring to

the Board, regardless of gender, ethnicity or other specific diversity measure. Our diversity statement is located on our website: www.smith-nephew.com/en/about-us/corporate-governance/diversity-statements.

The Committee believes the Board's composition gives us the necessary balance of diversity, skills, experience, independence and knowledge to ensure continued effectiveness in running the business and delivery of sustainable growth.

Yours sincerely,



Rupert Soames, OBE
 Nomination & Governance
 Committee Chair

Skills and experience matrix

Executive Directors		Tenure	Employee engagement	CEO	Financial	International	Healthcare/ Medical Devices	Emerging Markets	Cyber-security	ESG	UK Governance	Remuneration
Deepak Nath	2y 8m	■	■			■	■	■	■	■	■	■
Anne-Françoise Nesmes	3y 8m			■	■	■	■	■	■	■	■	
John Rogers¹	0y 8m	■	■	■	■			■	■	■	■	
Non-Executive Directors		Tenure	Employee engagement	CEO	Financial	International	Healthcare/ Medical Devices	Emerging Markets	Cyber-security	ESG	UK Governance	Remuneration
Rupert Soames	1y 7m	■	■	■	■	■		■	■	■	■	■
Marc Owen	7y 2m	■	■			■	■			■		
Jo Hallas	2y 10m	■	■	■	■	■		■	■	■	■	■
Simon Lowth	0y 11m				■	■	■		■	■	■	
John Ma	3y 9m	■	■			■	■	■				
Jez Maiden²	1y 2m			■	■	■	■	■	■	■	■	■
Katarzyna Mazur-Hofsaess	4y 1m	■	■			■	■	■				
Rick Medlock³	4y 0m			■	■				■	■	■	■
Angie Risley	7y 2m	■				■				■	■	■
Bob White	4y 7m	■				■	■	■	■			■

Notes

- John Rogers replaced Anne-Françoise Nesmes as CFO from 31 March 2024.
- Jez Maiden became Chair of the Audit Committee on 1 March 2024.
- Rick Medlock stepped down as Chair of the Audit Committee on 1 March 2024 and as a Non-Executive Director on 30 April 2024.

Nomination & Governance Committee Report continued

Diversity reporting

Smith+Nephew is a global company with the majority of its revenue, operations and senior management in the US. Around 8% of employees are based in the UK and around 5% of Group revenues are derived from the UK.

Our reported global objective of 25% ethnic diversity within senior management by 2027 and our reported current percentage of 27% are calculated based on the ethnicity definitions applicable to senior management in the markets where they live and work. For senior management based in the UK, we use the Office for National Statistics' definition of ethnicity in order to calculate the proportion of ethnic diversity of senior management in the UK. Based on the composition of our business and the fact that the vast majority of our senior management, operations and revenue are based outside the UK, we feel it is appropriate to continue to report against a global measure in order to show our global progress.

In order to comply with UK Corporate Governance requirements, this year we have included a UK senior management ethnicity objective of 10% by 2027. Where there are opportunities to bring senior managers into the UK organisation, we will continue to consider a broad and diverse slate of candidates in accordance with our diversity policies and hiring procedures. We will continue to review and, where appropriate, revise our UK and global commitments on an annual basis.

We have numerous training courses in Learning Unlimited, our internal learning platform, for people leaders on the topics of allyship, inclusion, and belonging.

Since 2021 Smith+Nephew have run personal data campaigns to encourage disclosure of missing gender, race/ethnicity, veterans and disability data, and we have made significant progress to ensure we have data sets that are as complete as possible. We respect the privacy rights of individuals and comply with applicable laws in the collection of data.

Board and executive management diversity

Prepared in accordance with UK Listing Rule 6.6.6(10) as at 31 December 2024	Number of Board members	Percentage of the Board %	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management ¹	Percentage of executive management ¹ %
Gender representation: Board & executive management (as at 31 December 2024)					
Men	8	73	3	9	75
Women	3	27	1	3	25
Other categories	0	0	0	0	0
Not specified/ prefer not to say	0	0	0	0	0
Ethnic background: Board & executive management (as at 31 December 2024)					
White British or other White (including minority White groups)	9	82	3	8	67
Mixed/multiple ethnic groups	0	0	0	0	0
Asian/Asian British	2	18	1	1	8
Black/African/ Caribbean/Black British	0	0	0	1	8
Other ethnic group, including Arab	0	0	0	2	17
Not specified/ prefer not to say	0	0	0	0	0

1 Executive management is the Executive Committee (most senior executive body below the Board).

Explanation against LR 6.6.6(9)

The table above provides our Board and executive management diversity data as at 31 December 2024, our chosen reference date, which has been prepared in accordance with UK Listing Rule 6.6.6. One of the four senior positions on the Board (Chair, CFO, CEO or SID) was held by a woman, our Board composition included two Directors from ethnic minority backgrounds and 27% of the Board of Directors are women.

The Board is pleased that two of the targets have been met but recognises that it has not met the target of 40% individuals on the Board being women. The overriding priority across all Board appointments remains identification of the strongest candidate for the role, based on clear search criteria. Further detail of the focus by the Nomination & Governance Committee on the continued development of a diverse talent pipeline, and the work to oversee external benchmarking to ensure Smith+Nephew has the diversity and capabilities needed for future growth, is set out on page 121.

Source of data

Data concerning gender and ethnicity representation on the Board and Executive Committee is set out above. This data was collected directly from all the individual Board and Executive Committee members. Each individual disclosed their gender and ethnicity using the options included on a form which included an option not to specify an answer.

Board development

Board induction and development programme

During 2024, we implemented structured and robust induction programmes for Jez Maiden, Simon Lowth and John Rogers.

Our Board induction and development programmes are customised to address the specific needs and interests of each of our Directors. We focus the induction and development sessions on facilitating a greater awareness and understanding of our business, our stakeholders and the regulatory frameworks which we operate in.

Induction programmes

Induction programmes are tailored to each Board member's individual skills and experiences and their roles on the Board and its Committees and include:

- One-to-one meetings with senior executives to understand the organisation, the roles and responsibilities of our senior employees and specifically how we do things at Smith+Nephew.
 - Meetings with our external advisers including brokers, external counsel, remuneration consultants and auditors, to explain the legal and regulatory background to their role on our Board and how these matters are approached at Smith+Nephew.
 - Strategic presentations and site visits tailored to Executive and Non-Executive needs respectively in order to provide a strong foundation to learn about the organisation, its history, current and future opportunities, and challenges, and to give Board members an opportunity to ask questions and interact with our wider workforce.
- In 2024, the Non-Executive induction programmes included:
- A strategic overview and introduction to MedTech and medical devices coupled with an immersive introduction to our purpose, culture pillars and people
 - One-to-one sessions with each member of the Executive Committee, Investor Relations and Finance Global Leadership Teams
 - Subject matter expert sessions on medical device regulation, healthcare compliance, ERM and inventory/asset utilisation
 - Site visits to Hull, Croxley and Pittsburgh together with any additional site visits as may be requested
 - Informal office touchpoints with employees at the UK Group Head Office (Croxley)
 - Introductory sessions with external advisers, auditors, brokers and consultants
 - Additional internal and external sessions upon request based on interest.

Areas of strength and focus for 2024

On an ongoing basis, we provide our Directors with both virtual and in-person opportunities to understand more about our business and the healthcare industry and support engagement with our teams and internal/external resources as appropriate; for example:

- A number of Board members have enjoyed holding employee listening sessions throughout the year, both physically and virtually, where they have talked with employees and heard their views on what it means to work for Smith+Nephew. These sessions are discussed in more detail on page 129.
- In November 2023, Board members were invited to our Meet the Management session in London and were able to attend sessions virtually and in person, which

provided further insight into the global product innovation strategy across each of our business units and our differentiated product pipeline, together with the opportunity to meet our investors.

- All Board members have access to a library of Board induction and development internal materials within our Board resource portal as well as external thought leadership articles, materials, webinars and other resources.
- We have arranged sessions on external perspectives on the healthcare industry and macro trends/insights on topics of interest/relevant to the Board.

The Chair regularly reviews the development needs of individual Directors and the Board as a whole.

Nomination & Governance Committee Report continued

Board effectiveness

Board external evaluation

The 2024 Board evaluation was conducted externally by Dr Tracy Long of Boardroom Review and sought to review key aspects of Board effectiveness. The reviews in 2025 and 2026 will be facilitated internally and led by the Senior Independent Director, supported by the Company Secretary. The next external evaluation will be in 2027.

Selection of evaluator

Following a vendor evaluation process which included a review of various evaluation models, tools and platforms, the Board approved the appointment of Dr Tracy Long CBE of Boardroom Review. The Board and Committee external evaluation was conducted in accordance with the guidance in the Code.



About Boardroom Review

Tracy founded Boardroom Review in 2004 and has conducted more than 400 international reviews across publicly listed, mutual, privately owned and public sectors. She currently serves as the senior independent on various government appointment panels and is a mentor to young female professionals.

Tracy also conducted the review in 2021 against which the 2024 evaluation could be benchmarked.

Tracy has reviewed the narrative set out in this report. Boardroom Review has not provided any other services to the Group and there are no conflicts between Boardroom Review and the Group or any of its Directors that could compromise the independence of the evaluation. Boardroom Review is a signatory to the Chartered Governance Institute's Code of Practice for board reviewers and has applied it in undertaking the evaluation.

Methodology for evaluation

1

Initial briefings with the Chair and Senior Independent Director to ensure the evaluation was tailored specifically to meet the Board's needs and priorities.

2

In-depth information review across core areas including The 12-Point Plan and strategy, risk, cyber security, talent, ESG and other key areas of focus for the Board.

3

Confidential interviews with each Board member and the Company Secretary focused on Board effectiveness.

4

Observation of all Board and Committee meetings in July 2024.

5

Feedback from the Chair and CEO, culminating in the collective Board discussion in September to assess the Board's strengths and opportunities. The full Board discussion included core topics such as the work of the Board on strategy, risk and controls, people and stakeholders, Board dynamics, use of time and information, and contribution and composition of the Board and its Committees.

6

An Executive Committee (ExCo) review was conducted by Boardroom Review in parallel with the Board evaluation in order to evaluate and report on ways to further enhance effectiveness of those entities both individually and collectively. The ExCo review provided helpful commentary and insights for the Board, highlighting the thoughtful and execution-focused approach of the CEO, the strong partnership between the CEO and the new CFO and the improved levels of reporting and transparency to enable data-driven decision making.

Strengths and opportunities

Strengths

- Alignment between Board and ExCo on the Purpose of Life Unlimited as central to culture and strategy
- Engaged Chair, experienced SID with strong transition to new appointment
- Dynamic open CEO leadership and strong partnership with CFO
- Good mix of tenure and diversity of NED background and experience
- Positive executive/NED relationships with healthy Board culture and contribution
- Clear roles, responsibilities and strong capabilities within Committees
- Improved Board visibility and confidence in complex supply chain issues
- Good attention to the ESG agenda and strategy
- Healthy corporate culture and attention to values (including Board listening sessions)
- Good level of attention to leadership development and executive succession
- Good use/management of time and respected secretariat support.

Opportunities

In the current environment of transformation, several opportunities to continue to strengthen Board effectiveness were noted, including:

- Opportunity to build on and deepen understanding of industry and competitor landscape
- Continued focus on supply chain and visibility
- Continued focus on technology and cybersecurity
- Embedding transition from 12-Point Plan to business-as-usual activities.

Composition, succession and evaluation

Overall, the Smith+Nephew Board believes it is operating effectively as assessed both holistically and against the areas of focus for 2024:

- The Board agenda in 2024 has been shaped around the core areas of innovation and portfolio, strategy and operational excellence, cost management and capital allocation, and oversight of risk management and controls to identify further opportunities to drive longer-term strategic value creation.
- The Board has regularly evaluated risks, opportunities and progress on commercial and operational transformation, including through business unit strategic updates, a deep-dive session on Greater China, the transition from the 12-Point Plan to business-as-usual activities, reorganisation to a global business unit structure and the zero-based budgeting project.
- The Board has had further discussions on the macro challenges, regulations and trends globally within healthcare and MedTech. External experts have provided further insights to enhance understanding of the industry and the frameworks which the Company operates in.
- The Board held additional talent management strategy and succession planning sessions on talent pipeline and gap analysis at Board level, together with a review of long-term people strategy with an emphasis on developing strong pipelines of senior leaders. The Board and its Committees have monitored employee engagement scores, the internal talent pipeline and the development framework, in particular for high-value roles within the Company.
- Closing sessions with the full Board and also NEDs at each Board meeting have facilitated transparent and detailed discussion. Members of the ExCo and their direct reports have spent time over the year with Board members during inductions, site visits and strategic presentations fostering constructive discussion.
- Continuing to build trust and credibility to strengthen governance.

Areas of focus for 2025 to further enhance Board effectiveness

Strategy following completion of 12-Point Plan

As we complete the 12-Point Plan the Board will focus on new ways to drive value for the business, including reviewing the portfolio.

Industry landscape and portfolio

Detailed reviews of competitors at each meeting so the Board has a good understanding of the market dynamics and landscape. Ongoing review of strategy and structure, incorporating industry performance insights, supported by external advisers as necessary.

Ongoing focus on embedding and supporting performance culture

Celebration of examples of high performance and flawless execution; ongoing evaluation of learnings to strengthen culture, iteratively incorporating feedback from internal and external sources, acknowledging areas for improvement and making changes in direction if necessary.

Crisis management, response and recovery

Continued enhancement of the Board programme to include ongoing threat analysis (incorporating market insights from external advisers as appropriate), scenario planning and the role of the Board.

Talent development and tracking success

Ongoing succession planning and talent strategy discussions to further refine key competencies aligned with strategy, leadership and diversity, and mitigation of risks.

Compliance & Culture Committee Report

“Smith+Nephew is driving performance closely aligned to its purpose of Life Unlimited and its culture pillars of Care, Collaboration and Courage with a commitment to doing business ethically, with integrity, honesty and professionalism.”

Marc Owen

Chair of the Compliance & Culture Committee



Committee roles and responsibilities

Ethics and compliance

- Overseeing ethics and compliance programmes, strategies and plans.
- Monitoring ethics and compliance process improvements and enhancements.
- Reviewing whistle-blower policies and overseeing investigation reports.
- Assessing compliance performance based on monitoring, auditing, and internal and external investigations data.
- Discussion of significant potential compliance issues.
- Receiving reports from the Chief Compliance Officer on ethics and compliance matters.
- Reviewing implementation of the global data privacy compliance framework and other regulatory developments which impact our business.

Sustainability

- Overseeing the implementation of our ESG strategy and reviewing performance against targets and metrics, including the Scope 3 roadmap and ESG dashboard and metrics.
- Receiving and discussing reports from the ESG Steering Committee focused on alignment of our ESG strategy with stakeholder requirements and our Strategy for Growth.

Culture

- Board listening sessions with employees aim to proactively support and reinforce our strategy and shared purpose of Life Unlimited, and our culture of Care, Collaboration and Courage. These sessions provide the Board with an opportunity to engage directly with employees to understand employee perspectives on certain topics.
- Talent planning and people development including line manager initiatives.
- Receiving and assessing performance against purpose and culture, talent, people leadership and engagement, and inclusion and belonging initiatives.
- Organisational effectiveness and embedding culture.

Quality and Regulatory Affairs (QARA)

- Monitoring trends, activities and plans relating to regulatory and quality risks and events within the organisation aligned to our Strategy for Growth.
- Receiving and assessing regular functional reports and presentations from the Chief QARA Officer on QARA strategy and operations.

Our focus for 2025

- Continued evaluation of the impact of ethics and compliance, regulatory, quality and cultural activities, and trends in the context of Group strategy.
- Continued monitoring of the Company’s progress against our sustainability strategy, measuring actions against objectives and metrics and evaluating the effectiveness of implementation.
- Continued evaluation of the impact of Committee and Board decision making on our people, communities and the environment.
- Monitoring the progress of the Company’s commitment to its net zero roadmap by 2045.
- Monitoring the actions taken by management following the Board employee listening sessions.
- Continue Board listening sessions to supplement the annual employee engagement survey, which is the primary mechanism by which the Board gains insight and understanding into the health of the organisation and employee perspectives on the Company.
- Continued evaluation of stakeholder interests aligned with the Group sustainability strategy.
- Review and approval of key annual disclosures such as the Sustainability Report and Modern Slavery Statement.
- Oversight of whistle-blower policies and procedures and an annual review of effectiveness.

The Terms of Reference for the Compliance & Culture Committee describe the role and responsibilities of this Committee more fully and can be found on our website.

 www.smith-nephew.com/en/who-we-are/corporate-governance#terms-of-reference

Committee meetings

In 2024, the Committee held four meetings. The Chair, CEO, CFO, Group General Counsel and Company Secretary, Chief Compliance Officer, Chief QARA Officer, Chief HR Officer, President of Global Operations and VP ESG also attended all or part of the meetings by invitation.

Ethics and compliance

As stated in the Code of Conduct, the sustainability of our business depends on doing business the right way and ensuring that we work with third parties who adhere to business principles consistent with our own.

The Chief Compliance Officer provides regular reports to enable the Committee to evaluate the effectiveness of the Global Compliance programme and understand the audit, monitoring and continuous improvement activities undertaken to ensure that our ethics and compliance programme continues to evolve aligned to our Strategy for Growth and the 12-Point Plan.

The Committee is provided with updates on potentially significant issues which are raised through the Company's hotline or to our Compliance team and the Company's response to such matters. It also receives an annual whistle-blower effectiveness review as well as details of investigations, actions taken to address substantiated matters and developing trends.

The Committee receives updates on potentially significant findings from compliance audits and oversight actions, including details of mitigating actions to address findings. On an annual basis the Committee receives a trend analysis of audit findings and root cause analysis with details of any programme changes required to address evolving trends. The Committee continues to receive a report on the annual self-assessment of the compliance programme against the US Department of Justice Evaluation of Corporate Compliance Programs guidance.

The reports to the Committee demonstrate that the organisation has established mature processes and controls over compliance and ethics reporting and investigations.

During 2024, the Committee also received updates with a regional focus on our compliance programmes in India, which demonstrates how the global programme is adapted to mitigate market-specific risks. The Committee also explored the focus topic of the Third-Party Seller Management programme.

Sustainability/ESG

The Committee received updates throughout the year from the President Global Operations and Vice President ESG on our performance against People, Planet and Products initiatives.

Utilising dashboards and strategy reporting developed by the ESG Steering Committee, the Committee monitors management actions taken, and tracks progress against the organisation's ESG objectives through KPIs, metrics and leading stakeholder indicators.

Driven by an increased focus on driving business value, the Committee reviewed the 2024 Sustainability Plan throughout the year to align with the ESG priorities of Company stakeholders. Based on stakeholder and industry best practice assessments, the Committee approved updates to product donation and waste objectives.

During each of the four Committee meetings during the year, the Committee was updated on Scope 1 and 2 carbon emissions reductions and spend on green certificates (Renewable Energy Credits) to support emissions reductions.

In February 2024, the Committee reviewed the draft 2023 Sustainability Report and the Committee report for final approval and publishing. The Committee also considered and approved the Modern Slavery Statement.

During May 2024, the Committee reviewed our customers' and investors' focus on ESG and sustainability.

In July 2024, the Committee was presented with a detailed review of our ESG ratings and a roadmap to meet the Company's 2040 and 2025 net zero carbon emissions objectives. The Committee also discussed the performance metrics in respect of the Performance Share Plan, in particular the EPS performance measures.

In December 2024, the Committee reviewed the Company's 2025 plan for People, Planet and Products initiatives and ESG efforts supporting each of the Company's business stakeholder groups.

The Committee Chair continues to engage with investors, governance teams and other stakeholders on sustainability and ESG topics.

Quality and regulatory affairs

Product safety and effectiveness is at the foundation of our business. Regulatory authorities across the world implement and enforce a complex series of laws and regulations that govern the design, development, approval, manufacture, labelling, marketing and sale of healthcare products.

The Committee received and reviewed summary reports at each meeting of the Company's performance against internal and external KPIs and metrics in order to ensure oversight of the quality and regulatory activities of our business aligned to our Strategy for Growth and the 12-Point Plan.

At each meeting, the Committee received a briefing on key quality and regulatory matters from the Chief QARA Officer. The Committee reviewed results of external regulatory inspections and audits conducted by the FDA and other regulatory agencies, including the progress being made on continuous improvement programmes and activities.

Compliance & Culture Committee report continued

The Committee also discussed results of internal quality audits and key performance metrics associated with critical quality and regulatory compliance processes. The Committee received reports regarding preparation for emerging regulations applicable to our business, including the Clean Air Act, amendments to the EU Medical Devices Regulation programme and reviewing the evolving US FDA's cybersecurity regulatory environment.

During the year, the Committee reviewed progress in areas of focus including complaints benchmarking, quality assurance programme improvements at key manufacturing sites across the business and our continued efforts on Quality System simplification and optimisation leading to continued efficiency across our network.

Culture

The Company's core purpose of Life Unlimited and the supporting culture pillars of Care, Courage and Collaboration continue to drive performance and accountability throughout the organisation globally. Our strategic objectives and culture pillars provide alignment across our business and stronger understanding by employees of their role in supporting our collective success.

At each meeting, the Committee received briefings and updates on culture from the Chief HR Officer demonstrating progress in key areas.

The specific focus areas for 2024 centred around initiatives that enhanced our culture. Focus groups were held to solicit feedback to understand how the Courage element from Our Commitments can be played out in everyday life at Smith+Nephew. The Committee also received briefings on projects in the employee experience space, such as People+Connect, how the Company is enhancing people leader capabilities, and how the Company is measuring organisational effectiveness and embedding various changes throughout.

The Committee was pleased to receive updates on how the Company is enhancing the overall employee experience. Details around the improved wellbeing plans, our progress on pay equity and transparency, our evolving continued focus on inclusion and belonging, and the creation of an automated employee experience platform, People+Connect. Progress on employee engagement is tracked through the annual survey and associated internal and external KPIs and metrics to ensure that the organisation is achieving its objectives. Discussions at the Committee on people leader capabilities focused on refreshed leadership programmes, which provided introductory leadership training to early-career employees who show aspirations and potential to play a larger role in leading and inspiring people.

The Committee was made aware of the positive impact of the 2024 wellbeing events, including mental health awareness/resilience, work-life balance and manager emotional wellness training. Global EIGs events were also reported to the Committee, including the Empower & Care EIG's Men's Health month event, International Women's Day activities in 2024 and Pride Month.

The 2024 Gallup global employee survey results were shared with the Committee. These results allow Smith+Nephew to benchmark against similar companies in our industry, and in 2024 demonstrated an increased participation rate of 92%. The Committee was pleased to celebrate the Company receiving the Gallup Exceptional Workplace Award in 2024, and noted that the Company had displayed an improvement trajectory above the majority of other Gallup participants.

Our culture

The Board is committed to the purpose of Life Unlimited and supporting the strong culture within the organisation. Our strong cultural pillars of Care, Courage and Collaboration promote good governance across our business and are crucial to fostering an environment of ethical performance.

A key forum where culture is at the top of the agenda is the Compliance & Culture Committee, which monitors and measures the ways in which culture is embedded in the organisation.

Code of Conduct

The Code of Conduct is reviewed by the Board annually and approves any amendments. Our Code of Conduct sets out the expected behaviours and as such is a clear foundation of our corporate culture.

Each Board member is required to certify compliance with the Code of Conduct annually.

 Our Code of Conduct is available to view at www.smith-nephew.com/en/compliance

Board, Committee Strategy meetings

Routine reporting at Board, Committee and strategy meetings together with senior employees' attendance and presentations provide valuable insight into culture across the Group.

The Board effectively engages with employees at site visits and meetings held at the Company's offices.

Employee Inclusion Groups

The Board recognises that a culture of inclusivity is key to enable individuals to bring their whole selves to work. Our EIGs are driven by our employees and their passion to foster an ethos of belonging and create a community to discuss relevant topics knowing that their voice and contributions matter.

>> See page 60 for more on our EIGs

Whistle-blowing

The Board has ensured that there is a clear and accessible platform for employees to confidentially raise any concerns through the whistle-blowing hotline. A report on whistle-blowing matters including trends and monitoring is presented to the Committee. This information is a key alert to any cultural issues and workforce concerns.

Board listening sessions

In 2024, Board members in addition to Committee members engaged in listening sessions and other touchpoints with employees during their visits to the Company's facilities, enabling us to experience the employee voice in a number of ways.

Directors directly engaged with employees during five Board listening sessions in 2024. A wide variety of matters were discussed, including how our corporate functions enable our Company's success, checking in on the progress of our international commercial models and how best we serve our customers, and the progress of our 12-Point Plan, enabling the Board to hear the employee voice directly. These sessions are a key way for the Board to monitor the cultural climate of the Group.

Number of listening sessions throughout the year

5

Employee annual engagement survey

A positive and collaborative culture for our employees is key to enabling us to deliver our success. The annual engagement survey is reviewed by the Board and considered to be a helpful indicator of culture across the Group and provides insights at each level of the business.

4,346

Colleagues' survey comments reviewed and analysed

Outcomes of embedding our culture

- Improved employee engagement at 92%, overall evidence of higher job satisfaction and winner of the Gallup Exceptional Workplace Award
- Developing and retaining talent
- Opportunities for employees to bring their whole selves to work

Improved employee engagement

92%

Audit Committee Report

“I am pleased to present my first Audit Committee Report since becoming Chair of the Committee. In 2024, we have delivered oversight of high-quality financial reporting and external auditing, strong financial controls and compliance, and effective internal audit and risk management for Smith+Nephew.”

Jez Maiden


Audit Committee Chair



Committee roles and responsibilities

- Ensuring the integrity of the Company’s financial reporting to shareholders and any announcements relating to the Group’s financial performance.
- Ensuring financial statements comply with UK and US statutory requirements.
- Reviewing the content of the Annual Report and advising the Board on whether, taken as a whole, it is fair, balanced and understandable, and providing the information necessary for shareholders to assess the Company’s performance, business model and strategy.
- On behalf of the Board, reviewing management’s assessment of and reporting on the effectiveness of internal controls, and compliance with the 2018 UK Corporate Governance Code and the Sarbanes-Oxley Act 2002.
- Ensuring the effectiveness of the Internal Audit function, agreeing audit plans and considering outcomes of internal audits.
- Reviewing the operation of the Group’s risk management framework.
- On behalf of the Board, carrying out a robust assessment of the principal and emerging risks facing the Group.
- Ensuring the effectiveness of the external auditor, agreeing the scope of audits (including materiality thresholds and areas of risk for focus), and the auditor’s fees and terms of engagement.
- Monitoring enhancements to fraud assessment and considering any reported frauds and any concerns raised by the Company’s whistle-blowing process.
- Overseeing other matters, including cybersecurity, IT governance, tax and treasury.

The Terms of Reference for the Audit Committee describe the role and responsibilities of this Committee more fully and can be found on our website.

 www.smith-nephew.com/en/who-we-are/corporate-governance#terms-of-reference

Our focus for 2025

In delivering its responsibilities in 2025, the Committee will build on its 2024 focus areas, including:

Financial reporting and external audit

- Supporting the second year of Deloitte’s audit, with a focus on identifying improvement opportunities in finance processes.
- Reviewing implementation of the enhancements to sustainability reporting as part of EU CSRD requirements.

Financial controls

- Continued oversight of the governance and maturity of IT controls, given ongoing investment in information technology across the Group.
- Reviewing the final design for the monitoring and review of material controls, ready for UK Corporate Reform compliance in 2026, alongside implementation of a revised European Crime and Corporate Transparency Act-compliant fraud control framework.

Risk management

- Assessing the impact of a changing global environment on the Group’s principal risks, together with monitoring of cyber resilience, as part of the Group’s ongoing investment and maturity programme.

Finance organisation

- Expanding the Committee’s exposure to finance resource across the Group, supporting talent development.

Committee meetings

The Committee met seven times during the year, with meetings timed to coincide with the financial and reporting cycles of the Company. In addition, the Committee met with both the Company's external auditor and Group Head of Internal Audit (GHIA) without management present. The Committee Chair held individual meetings with the external auditor, CFO, GHIA, Group Financial Controller and the Group Head of Financial Controls and Compliance through the year.

All members of the Committee are deemed to be Independent Directors and I am the designated financial expert under the SEC Regulations and, along with Simon Lowth, we are the Committee members with recent and relevant financial experience in accordance with the UK Corporate Governance Code.

Our focus in 2024

As part of its responsibilities, set out above, the Committee's particular areas of focus in 2024 included:

Financial reporting and external audit

- Reviewing implementation of a change in the Company's operating model, which created greater accountability for each business, and monitoring its impact on external reporting. In addition, the Committee reviewed the implementation of the allocation of directly attributable central costs to the business units.
- Considering significant and other financial matters which could impact the financial statements, as set out on pages 132 and 133.

- Monitoring the transition of the external audit and ensuring continued audit quality, with Deloitte completing its first audit in 2024.
- Reviewing the acquisition accounting in relation to the CartiHeal acquisition and the allocation between acquired intangibles and goodwill.
- Monitoring enhancements to sustainability reporting and preparation for the implementation of EU CSRD reporting in 2025.
- Supporting the Remuneration Committee in its assessment of, selection of and performance against financial metrics in short- and long-term incentive schemes.
- In October 2024, the US Securities and Exchange Commission (SEC) issued a comment letter to the Group in relation to its Form 20-F for the year ended 31 December 2023. We reviewed management's written responses to the SEC, which were accepted, and their review was closed in December 2024. This review has resulted in a number of enhancements in disclosures included in the Group's Form 20-F for the year ended 31 December 2024.

Financial controls and compliance

- Reviewing the operation of financial controls across the Group, which included introduction of a streamlined approach leveraging the Group's global processes and piloting of continuous monitoring of process controls.
- Overseeing improvements in the maturity of IT controls, including the remediation of deficiencies relating to user access management.
- Reviewing plans and progress to introduce enhanced controls reporting to meet UK Corporate Reform (UKCR or 'provision 29') requirements in 2026, along with revisions to the Group's fraud prevention framework to meet the requirements of the UK Economic Crime and Corporate Transparency Act (ECCTA).

Internal audit and risk management

- Confirming the continued operation of a satisfactory control environment across the Group, through monitoring of the planning and delivery of an efficient, high-quality internal audit programme, focused on compliance, process and risk-driven audits as set out under Internal Audit on page 134.
- On behalf of the Board, monitoring the Group's ERM framework, including the control and mitigation of principal risks against agreed risk appetites.
- Regular 'deep dives' into the Group's cyber resilience, including progress on further improving cyber maturity.

Finance organisation

- Reviewing treasury and tax operations, including the tax impact of a new global tax system ('Pillar 2') and ongoing refinancing activities.
- Monitoring and supporting management change in key finance roles, including a new CFO, Group Financial Controller and GHIA.

Significant matters related to the financial statements

We considered the following key areas of judgement in relation to the 2024 financial statements and at each half year and quarterly trading report, which we discussed in all cases with management and the external auditor:

Valuation of inventories

A feature of the Orthopaedics business unit (which accounts for approximately 68% of the Group's total inventory and approximately 83% of the total provision for excess and obsolete inventory) is the high level of product inventory required, some of which is located at customer premises and is available for customers' immediate use. Complete sets of products, including large and small sizes, have to be made available in this way. These sizes are used less frequently than standard sizes and, towards the end of the product life cycle, are inevitably in excess of requirements. Adjustments to carrying value are therefore required to be made to orthopaedic inventory to anticipate this situation. These adjustments are calculated in accordance with a formula based on levels of inventory compared with historical usage. This formula is applied on an individual product line basis and typically is first applied when a product group has been on the market for two years. This method of calculation is considered appropriate based on experience, but it does involve management estimation of customer demand, effectiveness of inventory deployment, length of product lives and phase-out of old products.

Our action

At each quarter end, we received reports from, and discussed with, management the level of provisioning and material areas at risk. The provisioning level was 20% at 31 December 2024 (2023: 21%). We challenged the basis of the provisions and concluded that the proposed levels were appropriate and have been consistently estimated.

Deloitte response

During 2024 Deloitte evaluated management's approach to inventory provisioning considering the use of a lookback sales demand methodology.

IT systems

The Group's IT systems form a key component of the Group's financial reporting activities. The Group operates key IT controls to prevent inappropriate changes being made to IT systems in relation to application functionality, transactional processing and direct changes to underlying data. Given the reliance placed on these systems, IT controls testing is fundamental to Deloitte's audit approach.

Our action

We reviewed management's reports on the testing of IT general controls, including the remediation of deficiencies relating to user access management, and monitored the completion of mitigating and remedial activities.

Deloitte response

Deloitte noted IT control deficiencies relating to user access management for certain IT systems and designed and executed audit procedures to respond to the risk arising from this.

Impairment

In carrying out impairment reviews of goodwill and acquisition intangible assets, a number of significant assumptions have to be made when preparing cash flow projections. These include the future rate of market growth, discount rates, the market demand for the products acquired, the future profitability of acquired businesses or products, levels of reimbursement and success in obtaining regulatory approvals. If actual results should differ or changes in expectations arise, impairment charges may be required, which would adversely impact operating results.

Our action

We reviewed management's reports on the key assumptions with respect to goodwill and acquisition intangible assets – particularly the forecast future cash flows and discount rates used to make these calculations. We had a particular focus on goodwill impairment testing for the Orthopaedics cash-generating unit (CGU), as the level of headroom has decreased and it is sensitive to a reasonably possible change in assumptions, in particular the projected trading profit margin. We challenged the downside sensitivity analysis undertaken and concluded that the carrying value of these assets is reasonable and appropriately supported by the cash flow projections. We have also considered the disclosure surrounding these reviews and concluded that the review and disclosure were appropriate.

Deloitte response

Deloitte evaluated management's approach on the impairment conclusions and the basis of the assessment.

Other matters related to the financial statements

As well as the identified significant matters, other matters that the Audit Committee considered during 2024 were:

Going concern

The impact of a global economic downturn has been considered as part of the adoption of the going concern basis in these financial statements. We reviewed three-year projections as part of the Group's Strategic Plan, and also more detailed cash flow scenarios for a period of at least 12 months from the date of approval of the financial statements, for going concern purposes and concurred with management that the continued adoption of the going concern basis is appropriate, as set out on page 135.

Taxation

The Group operates in numerous tax jurisdictions around the world and is subject to factors that may affect future tax charges. We annually review policies and approve the principles for management of tax risks. We review quarterly reports from management evaluating the existing tax profile, tax risks and tax provisions. Based on a thorough report from management of tax liabilities and our challenge of the basis of any tax provisions recorded, we concluded that the levels of provisions and disclosures were appropriate.

Post-retirement benefits

The Group has post-retirement defined benefit pension schemes, which require estimation in setting the assumptions. We received a report from management setting out their proposed assumptions for the UK scheme and concurred with management that these assumptions were appropriate. We also reviewed the assumptions, accounting and disclosures for the US scheme termination and deemed them appropriate.

Non-IFRS financial information

Trading profit is a key metric used to assess the performance of the Group. We annually review the policy and principles applied to adjust Operating profit for items which materially impact the Group's profitability.

Liability provisioning

The Group has provisions for legal disputes which require estimation. We received

regular updates from the Group General Counsel & Company Secretary. These updates form the basis for the level of provisioning. We received detailed reports from management, including the actuarial model used to estimate the provision for metal-on-metal hip claims, and challenged the key assumptions. We concurred with management that the proposed levels of provisioning at year end of \$123 million included within 'provisions' in Note 17.1 in 2024 (2023: \$159 million) were appropriate in the circumstances.

Climate change

The impact of climate change has been considered as part of our review of the impairment testing of goodwill and acquired intangible assets, and the going concern assessment. We have also considered the disclosures on climate change and considered them appropriate.

Since the year end

We have reviewed the results for the full year 2024 and the Annual Report 2024, and have concluded that they are fair, balanced and understandable. In coming to this conclusion, we have considered the description of the Group's strategy and key risks, the key elements of the business model, which is set out on pages 16–17, and the KPIs and their link to the strategy.

External auditor

Independence of external auditor

As previously reported, following a competitive tender process Deloitte LLP (Deloitte) was appointed auditor of the Company with effect from 1 January 2024, as approved by shareholders at the AGM in May 2024. We are satisfied that Deloitte is fully independent from the Company's management and free from conflicts of interest. Our Auditor Independence Policy, which ensures that this independence is maintained, is available on the Company's website.

We believe that the implementation of this policy helps ensure that auditor objectivity and independence is safeguarded. The policy also governs our approach when we require our external auditor to carry out non-audit services, and all such services are strictly governed by this policy.

The Auditor Independence Policy also governs the policy regarding audit partner rotation, with the expectation that the

audit partner will rotate at least every five years. Andrew Bond was appointed as our senior lead audit partner on 1 May 2024.

The Audit Committee confirms it has complied with the provision of the Competition and Markets Authority (CMA) Order 2014.

Effectiveness of external auditor

We conducted a review into the effectiveness of the external audit as part of the 2024 year-end process, in line with previous years. We sought the views of the Committee and key members of the finance management team, considered the feedback from this process and shared it with management.

During the year, we also considered the inspection reports from the Audit Oversight Board in the UK and determined that we were satisfied with the audit quality provided by Deloitte.

The Audit Committee receives feedback from Deloitte at each meeting where management present their summary of critical accounting estimates as at each quarter end and during the Committee's private sessions with the auditors which are held throughout the year.

Overall, therefore, we concluded that Deloitte had carried out their audit for 2024 effectively.

Appointment of external auditor at AGM

Resolutions will be put to the AGM to be held on 30 April 2025 for the re-appointment of Deloitte LLP as the Company's auditor and authorising the Board to determine its remuneration, on the recommendation of the Audit Committee in accordance with the CMA Order 2014.

Disclosure of information to the auditor

In accordance with section 418 of the Companies Act 2006, the Directors serving at the time of approving the Directors' Report confirm that, to the best of their knowledge and belief, there is no relevant audit information of which the auditor, Deloitte, is unaware, and the Directors also confirm that they have taken reasonable steps to be aware of any relevant audit information and, accordingly, to establish that the auditor is aware of such information.

Audit Committee report continued

Non-audit fees paid to the auditor

Non-audit fees are subject to approval in line with the Auditor Independence Policy, which is reviewed annually and forms part of the Terms of Reference of the Audit Committee.

The Audit Committee recognises the importance of the independence of the external auditor and ensures that the auditor's independence should not be breached. The Audit Committee ensures that the auditor does not receive a fee from the Company or its subsidiaries that would be deemed large enough to impact its independence or be deemed a contingent fee. The total fees for permitted non-audit services shall be no more than 70% of the average of the fees paid in the last three consecutive financial years for the statutory audits of the Company and its subsidiaries.

Any pre-approved aggregate or individual amounts up to \$25,000 may be authorised by the SVP Group Treasurer & Tax and SVP Group Finance and amounts up to \$50,000 by the CFO. Any individual amount over \$50,000 must be pre-approved by the Chair of the Audit Committee and amounts in excess of \$100,000 by the Audit Committee. If unforeseen additional permitted services are required, or any which exceed the amounts approved, again pre-approval by the Chair of the Audit Committee is required.

The following reflects the non-audit fees incurred with Deloitte and KPMG in 2024 and 2023, which were approved in accordance with the Auditor Independence Policy.

	2024 \$ million	2023 \$ million
Audit-related services	0.4	0.3
Assurance-related services	–	–

Audit-related fees in 2024 primarily consisted of routine services and were deemed by the Committee not to infringe upon auditor objectivity or independence. Following a competitive tender process, the Committee approved the selection of Deloitte as the Company's Corporate Sustainability Reporting Directive (CSRD) assurance provider. Deloitte has confirmed that assurance of CSRD will be standalone from the financial audit and the Committee concluded that the appointment would not infringe upon auditor objectivity or independence. The ratio of non-audit fees to audit fees for the year ended 31 December 2024 is 0.04. The ratio of non-audit fees to audit fees for the year ended 31 December 2023 was 0.03.

Full details are shown in Note 3.2 to the Notes to the Group accounts.

Audit fees paid to the auditor

Fees for professional services provided by Deloitte and KPMG, the Group's independent auditors and other local statutory auditors in each of the last two fiscal years, in each of the following categories were:

	2024 \$ million	2023 \$ million
Audit fees	9.1	10.0
Audit-related fees	0.4	0.3
Total	9.5	10.3

Internal audit

The Internal Audit team, which reports functionally to the Audit Committee, carries out risk-based reviews across the Group. These reviews examine the management of risks and controls over financial, operational, commercial, IT and transformation programme activities.

The Internal Audit team, led by the GHIA, consists of appropriately qualified and experienced employees. Third parties may be engaged to support audit work as appropriate.

The GHIA has direct access to, and has regular meetings with, the Audit Committee Chair and prepares formal reports for Audit Committee meetings on the activities and key findings of the function, together with the status of management's implementation of recommendations. The Audit Committee has unrestricted access to all internal audit reports, should it wish to review them.

During the year, the team completed 32 audits and reviews across the Group. These covered significant aspects of all 11 principal risks and included: financial controls effectiveness reviews across the EMEA, APAC, US and LATAM regions; IT and various programme assurance reviews including IT disaster recovery and cyber maturity; and an ERP implementation review in Japan. Group-level reviews included ERM effectiveness, business continuity management arrangements, sales inventory and operational process effectiveness, 12-Point Plan benefits realisation, procurement processes and supplier master data management. The team also performed reviews of the China Sports Medicine commercial business post-VBP and a review of the China channel and distributor management processes. Management have taken swift action to implement Internal Audit's recommendations. The team continues to leverage data analytics combined with on-site and remote audit work as appropriate.

The team carries out its work in accordance with the Institute of Internal Auditors' International Professional Practices Framework. Its performance is annually assessed using a structured questionnaire, allowing non-executive, executive and senior management, plus the external auditor, to comment on key aspects of the function's performance. The Audit Committee, which re-approved the function's charter in December 2024, has satisfied itself that adequate, objective internal audit standards and procedures exist within the Group and that the Internal Audit function is effective.

Risk management programme

The work the Committee has carried out in respect of risk management and internal controls is explained in the Risk Report on pages 78–82.

Viability Statement

The Committee reviewed management's work in conducting a robust assessment of those risks which would threaten the business model and the future performance or liquidity of the Company, including its resilience to the threats of viability posed by those risks in severe but plausible scenarios.

Based on this analysis, the Committee recommended to the Board that it could approve and make the Viability Statement on page 94.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Financial Review on pages 20–27 and the principal risks on pages 83–93.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 20–27. In addition, the Notes to the Group accounts include: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources, and its customers and suppliers are diversified across different geographic areas. As a consequence, the Directors believe that the Group is well placed to manage its business risk successfully despite the ongoing uncertain economic outlook.

The Group has considered several scenarios (refer to Viability Statement on pages 94 and 95) including the continued uncertainty as to the future impact on the financial performance and cash flows of the Group as a result of a global economic downturn as part of the adoption of the going concern basis in these financial statements. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements. Management also believes that the Group has sufficient working capital for its present requirements.

Code of Ethics for Senior Financial Officers

We have adopted a Code of Ethics for Senior Financial Officers, which applies to the CEO, the CFO, the Group Financial Controller, and the Group's senior financial officers. There have been no waivers to any of the Code's provisions, nor have there been any substantive amendments to the Code during 2024 or up until 24 February 2025. A copy of the Code of Ethics for Senior Financial Officers can be found on our website.

In addition, every individual in the finance function certifies to the CFO that they have complied with the Finance Code of Conduct.



Jez Maiden
 Chair of the Audit Committee

Remuneration Committee Report

“Our remuneration arrangements are designed to incentivise and reward the delivery of sustainable value creation and long-term growth.”

Angie Risley


Chair of the Remuneration Committee



Committee roles and responsibilities

The Committee's role is to ensure that our Remuneration Policy and practices are aligned to the business strategy and promote long-term sustainable success. We make sure that the remuneration of Executive Directors and the leadership team is aligned to the Company's purpose and values and is clearly linked to the successful delivery of business performance and drives value creation. We engage with shareholders as appropriate to ensure that the Committee hears and understands their views, which in turn assists the Committee to shape its proposals.

The Terms of Reference for the Remuneration Committee describe the role and responsibilities of this Committee more fully and can be found on our website.

 www.smith-nephew.com/en/who-we-are/corporate-governance#terms-of-reference

Our focus areas for 2025

- Align incentive plan performance measures with the evolution of strategy.
- Set incentive plan performance targets for the year ahead.
- Monitor performance against our short and long-term incentive plan targets.
- Oversee our approach to pay transparency for the wider workforce.

Activities during 2024

- Reviewed, proposed, and consulted with shareholders on changes to our Remuneration Policy in respect of US Executive Directors.
- Set performance measures and targets for our short and long-term incentive plans.
- Monitored performance against the targets of our short and long-term incentive plans.
- Reviewed and updated the incentive plan arrangements for employees below Board.
- Monitored the remuneration and benefit arrangements of the wider workforce.
- Received regulatory, market, and best practice updates.
- Reviewed and approved the Committee's Terms of Reference.

Chair's Letter

Dear Fellow Shareholder,

During 2024, the Company made good progress with improving financial performance, delivering significant cost savings, and improving cash flow generation, reflecting the benefits from the 12-Point Plan. The year ended strongly, enabling the Company to deliver solid financial results across its key performance metrics. This is testament to the resolve and hard work of Deepak in partnership with John and the executive team as well as Smith+Nephew employees to deliver for both our shareholders and the patients who benefit from our products.

This year, the Remuneration Committee has maintained its focus on ensuring our remuneration arrangements effectively attract and retain top talent, which is aligned to the Board's objective of fostering long-term stability. The Board is focused on ensuring that these arrangements support the delivery of our strategic business objectives and help cultivate a culture of performance and innovation that will enable sustainable growth and success to deliver long-term value for both our shareholders and employees.

As reported in our 2023 Annual Report and in line with our goal to retain talent and ensure stability among our executive and senior leadership teams, we conducted a comprehensive review and shareholder consultation regarding changes to our Remuneration Policy for US-based Executive Directors. This review was important, as the Company and the Board needs to have the ability to compete for talent in the US market given the size and scope of its business and the MedTech talent that is predominantly based there.

The Board is keenly aware that the Company has had four CEOs and three CFOs in the past seven years, and with every change there has been downstream leadership attrition and loss of talent from our internal pipeline which has had a longer-term negative impact on the Company. It was therefore important that the Board start to address this with a new Remuneration Policy. Further detail on the reasons for the change are set out in our Directors' Remuneration Report within the 2023 Annual Report.

The changes to our Remuneration Policy were presented at our Annual General Meeting (AGM) on 1 May 2024, and we greatly appreciated the engagement and input from shareholders throughout the process, as the views and comments shared helped us ensure that we were considering all the issues, and ultimately enabled us to shape the final proposal. The Board appreciated the support from the majority of our shareholders, with 57% voting in favour of the changes and 56% backing the adoption of a new Restricted Share Plan (RSP).

During the initial consultation process, Rupert Soames and I engaged with shareholders representing 67% of our issued share capital. We also consulted with proxy advisers who were most representative of our shareholder base at the time of the initial consultation, being IA/IVIS, Glass Lewis, and ISS.

Following the AGM vote, we analysed the vote patterns to better understand the outcome so that we could further engage effectively with shareholders. This analysis showed that passive investment funds, which held almost 40% of our issued share capital at the time, had predominantly decided to vote against the proposed changes.

In line with UK corporate governance requirements, following the AGM we contacted shareholders that represented 75% of our issued share capital, including passive investment funds, to seek further feedback and comments on the proposals. The Board decided to pause the implementation of the Remuneration Policy, while further consultation took place as the Board wanted to hear the views of shareholders given the voting outcome. This further consultation ran for a six-week period during June and July. The majority of shareholders who had

previously engaged with us confirmed that they had supported the vote, but regrettably only a few of the funds who had voted against the new policy (the majority of whom were passive funds) engaged in the second round of consultation.

We acknowledge that certain UK investor governance teams were not able to support our proposals due to the parameters deemed acceptable within the pre-existing UK corporate governance environment. However, we also note that following the AGM season in 2024, the UK environment has begun to change, with an acknowledgement that UK-headquartered companies such as Smith+Nephew, with a majority of their business, employees, and revenues in the US, need the ability to offer remuneration arrangements for US-based senior executives which are competitive and aligned to the norms of the industry and jurisdiction in which they live and work.

The Board met at the end of July 2024 to discuss the outcome of the consultation, the AGM vote, and the interests of all applicable stakeholder groups. Given the lack of additional investor feedback during the further consultation and the continued support of the majority of shareholders who had voted in favour of the proposed Remuneration Policy, the Committee and Board determined that they would implement the wishes of the majority of shareholders and announced that they would adopt the Policy and new Restricted Share Plan (RSP) with no further changes. The changes were implemented in August 2024.

As a result, for US Executive Directors the annual award under the Performance Share Plan (PSP) increased from 275% to 300% of base salary, and an annual award would be granted under the Restricted Share Plan (RSP) equal to 125% of base salary vesting in three equal annual instalments, which is aligned to US market practice for RSP vesting schedules. The vesting of this RSP award is subject to a reasonable judgement underpin. In addition, the shareholding requirement for a US-based CEO increased from 300% to 500% of base salary. There is no change to the Annual Incentive Plan (AIP) opportunity of 215% of base salary, but once the shareholding requirements are met, the annual bonus deferral will reduce from 50% to 30%. Further details are set out on page 143.

Following adoption of the policy in August 2024, a top-up PSP award of 25% was granted to our US-based CEO in respect of the 2024-2026 PSP award. This top-up had the same performance conditions as the 2024-2026 PSP award of 275% granted in March 2024. In addition, a 2024 RSP award of 125% of base salary was awarded, which will vest in three annual instalments on the first, second and third anniversaries of the award.

The potential incentive awards under the new Remuneration Policy move the target total direct compensation of the CEO's package from 20% below the lower quartile of our global MedTech peer group (see page 149 for further details on this peer group), to the lower quartile. In relation to FTSE 20-60 companies, the CEO's arrangements would be above the upper quartile and towards the upper end of UK-listed company practice, but not as an outlier. The new arrangements do not fully match US remuneration arrangements but will enable the Board to compensate US-based Executive Directors more appropriately relative to their US industry peers and make a more competitive offer if needed.

We acknowledge that executive pay is a topic that attracts strong and often differing opinions among investors, and the Board fully understands that financial performance remains a focus for investors. However, the Board firmly believes that the provisions of the 2024 Remuneration Policy are in the long-term interests of the Company and will support the commitment to deliver on financial performance and value for shareholders.

85%

Our CEO pay is 85% performance-based

57%

paid in shares

500%

and a shareholding requirement of 500% of base salary.

Remuneration Committee Report continued

Our approach to remuneration

Our remuneration strategy is designed to motivate talent to achieve our strategic objectives, deliver on customer commitments, innovate to improve patient outcomes, inspire our employees, and drive long-term success and growth, ultimately delivering value to our shareholders. This focus on long-term performance aligns with our shareholders interests and is embedded in our Remuneration Policy, which includes incentives deliberately weighted towards long-term goals, coupled with meaningful shareholding requirements for Executive Directors both during and after their employment.

Performance targets are set to be relevant, stretching and aligned to our business strategy. We also consider how performance is delivered when determining incentive plan outcomes. Appropriate consideration is given to applicable ESG risks to ensure that the performance delivered is sustainable and fully aligned with our Company values and culture, with malus and clawback applied to all forms of variable pay.

Our remuneration approach is also designed to be competitive within the MedTech industry and across the diverse markets in which we operate, enabling us to attract and retain top talent globally.

Wider employee remuneration

We operate in a highly competitive global market for skills and talent, with our workforce playing a critical role in achieving our business goals. To compete effectively, our remuneration approach must be flexible and tailored to different markets, ensuring we remain responsive to competitive challenges. In addition, we prioritise pay equity, reviewing pay levels to ensure fairness, and are committed to the real living wage and narrowing the gender pay gap, as well as tackling the root causes of gender imbalance to ensure a truly inclusive culture that supports diversity.

Over the past year, we reviewed the short-term and long-term incentives for senior managers below the Board level, and implemented several changes. These adjustments enhance our competitiveness in attracting and retaining talent, while also promoting greater differentiation in performance-based rewards over both the short and long term.

Our reward framework also recognises that non-financial benefits play a crucial role in creating a supportive culture, with employee wellbeing forming a key part of our overall employment proposition.

In September, I chaired a listening session with some of our employees to talk about our approach to remuneration and its alignment with the Company's purpose, values and long-term strategy. Along with insights from our annual employee engagement survey, this feedback provides valuable context for decision making around our remuneration arrangements.

2024 incentive plan outcomes

The Company finished the year strongly and delivered solid financial results across its key performance metrics. Revenue grew by 4.7% on a reported basis (5.3% on an underlying basis) and the Company continued to deliver year-on-year expansion in its trading profit margin which increased to 18.1%. Cash flow generation was improved, with free cash flow increasing to \$551 million from \$129 million, and trading cash flow increased to \$999 million driven by significant improvement in working capital compared to 2023. These results reflect the benefits from the 12-Point Plan being realised.

The Committee strives to maintain a clear link between pay and performance, focusing on setting challenging performance targets and evaluating both Company-wide and individual achievements. In that context, we believe that the payments outlined in this report fairly reflect the performance achieved and that the Remuneration Policy operated as intended during the year.

Annual incentive

For Executive Directors, 85% of their Annual Incentive Plan (AIP) bonus opportunity is tied to financial performance, with the remaining 15% tied to strategic objectives.

Based on our financial performance and the achievement of individual objectives over the year, the total bonus payable to Deepak Nath is 60.6% of maximum (or 130.3% of base salary) and to John Rogers is 60.7% of maximum (or 130.6% of base salary). Half of this bonus payable will be deferred in shares for a period of three years. More details on the performance against the annual targets are set out on page 157.

Long-term incentive

The Committee reviewed the performance of PSP awards granted in April 2022 against the award performance conditions and determined that, based on actual performance over the three year performance period ended 31 December 2024, these 2022-2024 PSP awards will vest at 29.7% of maximum opportunity (59.4% of target). (see page 161 for further details).

Deepak joined the Company in April 2022 and was granted a 2022-2024 PSP award in May 2022 – this award will vest at 29.7% of maximum opportunity (59.4% of target) in May 2025. John joined the Company in December 2023 and so was not granted a 2022-2024 PSP award.

Applying the Remuneration Policy in 2025

Base Salary

Following a review of the salary of Executive Directors, the Committee decided to award increases aligned with the wider workforce in the US for the CEO, and in the UK for the CFO. This resulted in an increase of 3% for Deepak and a 3.5% increase for John, both effective from 1 April 2025.

Annual Incentive Plan

The maximum opportunity will remain at 215% of base salary for Executive Directors and the target will continue to be set at 50% of the maximum. For 2025, the Committee decided to reduce the payout at Threshold from 15% of maximum to zero.

The Committee reviewed the choice of performance measures and decided to replace trading cash flow conversion with free cash flow as this measure is considered to be a more comprehensive measure of financial health and better aligns with shareholder value creation; it also rewards more efficient capital allocation decisions. As a result, the performance measures will focus on revenue (35% weighting), trading profit margin percentage (35% weighting), free cash flow (15% weighting) and strategic objectives (15% weighting), which includes a combination of business and ESG objectives. Further details are set out on page 171.

Performance Share Plan

The Committee intends to grant PSP awards in line with its Remuneration Policy, which equates to 300% of base salary for Deepak Nath, being a US-based Executive Director and 275% of base salary for John Rogers being a UK-based Executive Director. The Committee reviewed the choice of performance measures for the award to be granted in 2025 and decided to replace the current global revenue growth performance measure with an earnings per share (EPS) measure to reflect our long-term strategy of sustainable profitable growth. This change also considers the views of a number of our shareholders who indicated their preference for an EPS measure during our recent Remuneration Policy consultation.

As a result, the performance measures for the 2025–2027 PSP award will include a combination of earnings per share (30% weighting), return on invested capital (30% weighting), relative total shareholder return (30% weighting) and ESG objectives (10% weighting). Further details on the intended awards, including the performance measures and associated targets, are set out on page 171.

Restricted Share Plan

In line with its Remuneration Policy, the Committee intends to grant Deepak Nath, being a US-based Executive Director an award in the Restricted Share Plan (RSP) equal to 125% of base salary. This award will vest, subject to a reasonable judgement underpin at the time of release, in three equal instalments on the first, second, and third anniversaries of the award. John Rogers, being a UK based Executive Director is not eligible for an RSP award.

Chair and Non-Executive Director fees

The fees payable to the Chair of the Board and Non-Executive Directors are reviewed annually. In line with the increase in base salaries for Executive Directors, the Chair fee and Non-Executive Director base fee will be increased by 3% for US-based and 3.5% for UK-based Non Executive Directors from 1 April 2025. The additional fees for acting as a Chair of a Committee were also reviewed (see page 146 for further details).

Board Changes

Anne-Françoise Nesmes stepped down from the Board on 31 March 2024 and left the Company on 1 May 2024. As Anne-Françoise provided the Board with significant advance notice of her intention to step down, demonstrated dedication to her role, and supported the transition to John Rogers as incoming CFO, the Remuneration Committee exercised its discretion to treat Anne-Françoise as a good leaver for the purposes of unvested PSP awards that were granted in 2021, 2022 and 2023. She also received a payment under the 2023 AIP in March 2024, of which 50% was deferred in shares, and she will retain her outstanding Deferred Bonus Plan (DBP) awards which will vest in 2025, 2026 and 2027. Anne-Françoise was not eligible for a bonus under the 2024 AIP.

John Rogers joined the Company on 1 December 2023 and was appointed to the Board on 31 March 2024. The Board considers John to be an outstanding candidate, with a proven track record operating around the world and across a

number of industry sectors. His extensive experience in transformation and capital markets is especially important given our focus on driving greater shareholder value. John's remuneration upon recruitment was set in line with our Remuneration Policy, and further details are provided on pages 142–144.

2024 AGM

I very much hope that this year's report provides a clear overview of the Committee's considerations and decisions, as well as an explanation of the 2024 remuneration outcomes. Additionally, I hope you will continue to support the Committee in its commitment to ensuring competitive, fair and effective remuneration that is aligned with business performance and shareholder returns, while securing and retaining the best talent and essential skills needed for our future success.

I would like to extend my thanks to shareholders and proxy advisers who have given their time and valuable insights over the year to help us shape our approach to executive remuneration, and to all those who have supported me in my role as Chair of the Remuneration Committee. Finally, I'd like to welcome Sybella Stanley to the Remuneration Committee, who will succeed me as Chair of the Committee from 30 June 2025.



Angie Risley

Chair of the Remuneration Committee

Compliance statement

We have prepared this Director's remuneration report (the Report) in accordance with The Enterprise and Regulatory Reform Act 2012–2013 (clauses 81–84), sections 420–422 of the Companies Act 2006 and The Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Regulations), The Companies (Directors' Remuneration Policy and Director's remuneration report) Regulations 2019 and The Companies (Miscellaneous Reporting) Regulations 2018. The Report also meets the relevant requirements of the Financial Conduct Authority (FCA) Listing Rules.

Pages 154–173 is the Annual report on remuneration (the Implementation Report). The Implementation Report will be put to shareholders for approval as an advisory vote at the Annual General Meeting on 30 April 2025. The Implementation Report explains how the Remuneration Policy was implemented during 2024. The following sections have been audited by Deloitte: The Single Figure Tables on Remuneration including related notes (pages 155–161); details of awards made under the Performance Share Plan and Restricted Share Plan (page 162); Summary of Scheme Interests during the year (page 162–163); Payments to former Directors (page 164); Directors interests in Ordinary Shares (pages 163 and 165) and Senior Management Remuneration (page 170).

The Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting on 1 May 2024. This Policy can be found on our website within the 2023 Annual Report and describes our Remuneration Policy as it relates to the Directors of the Company. All payments we make in relation to Directors of the Company will be in accordance with this Remuneration Policy.

Trading Profit Margin, Trading Cashflow Conversion, Free Cash Flow and ROIC are non-IFRS financial measures used in the Directors Remuneration report from page 136–173. They are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS on pages 265–271.

Remuneration at a glance

Our at a glance summary sets out the total remuneration paid to our Executive Directors in 2024.

Base salary

» See more on page 142

Pension and benefits

» See more on page 142

Annual bonus (AIP)

» See more on page 157

Long-term incentive plan (PSP and RSP)

» See more on page 161

2024 in numbers

Financial Performance

\$5,810m

Global Revenue
(2023: \$5,549m)

\$1,049m

Trading Profit¹
(2023: \$970m)

\$657m

Operating profit
(2023: \$425m)

18.1%

Trading Profit Margin¹
(2023: 17.5%)

95.2%

Cashflow Conversion¹
(2023: 65.5%)

7.4%

Return on Invested Capital¹
(2023: 5.9%)

47.2c

Earnings per Share
(2023: 30.2c)

-3.5%

Total Shareholder Return
(2023: -1.3%)

Group Remuneration & Relative Spend

\$1,663m

Total Employee Cost²
(2023: \$1,683m)

3%

US Average Salary Increase
(2023: 3%)

3.5%

UK Average Salary Increase
(2023: 3.65%)

\$327m

Returns to Shareholders
(2023: \$327m)

¹ Trading Profit, Cashflow Conversion and ROIC are non-IFRS financial measures. They are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS on pages 265-271.

² Only wages and salaries. Per note 3.1, a further \$379m of employee benefits cost are not included.

2024 in numbers continued

Executive Director Remuneration

Deepak Nath

Chief Executive Officer (CEO)

\$7.8m

Single Figure

(2023: \$4.7m)

3%

2024 Base Salary Increase

(2023: 3.5%)

60.6%

2024 Annual Incentive Plan

(% of maximum opportunity)

(2023: 61.4%)

29.7%

2022-24 Performance Share Plan

(% of maximum opportunity)

(2023: n/a)

John Rogers

Chief Finance Officer (CFO)

\$2.0m

Single Figure

(2023: n/a)

0%

2024 Base Salary Increase

(2023: n/a)

60.7%

2024 Annual Incentive Plan

(% of maximum opportunity)

(2023: n/a)

n/a

2022-24 Performance Share Plan

(% of maximum opportunity)

(2023: n/a)

Anne-Françoise Nesmes

Former Chief Finance Officer

\$0.8m

Single Figure

(2023: \$2.0m)

0%

2024 Base Salary Increase

(2023: 3.5%)

n/a

2024 Annual Incentive Plan

(% of maximum opportunity)

(2023: 59.8%)

29.7%

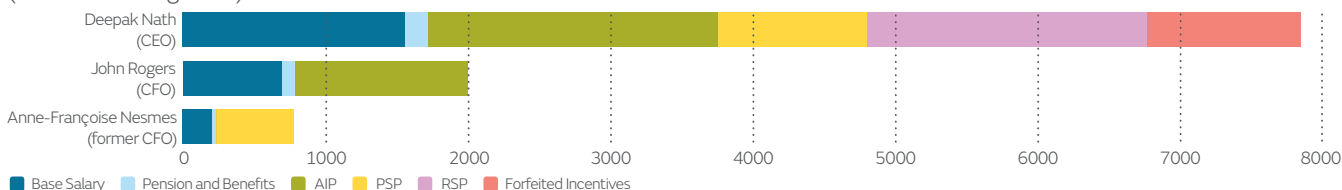
2022-24 Performance Share Plan

(% of maximum opportunity)

(2023: 10.5%)

Single figure of remuneration (\$)

(Received during 2024)



	Executive Directors	Former Executive Directors
	Deepak Nath (CEO) ¹	John Rogers (CFO) ²
		Anne-Françoise Nesmes Former CFO ³
Salary	\$1,560,093	\$694,913
Pension & Benefits	\$158,605	\$94,904
Annual Incentive Plan (Bonus)	\$2,034,434	\$1,210,073
Performance Share Plan	\$1,052,397	-
Restricted Share Plan ⁴	\$1,965,517	-
Forfeited Incentives ¹	\$1,041,513	-
Total	\$7,812,559	\$1,999,889

1 Deepak Nath received buy-out awards in respect of outstanding incentives he forfeited on leaving his former company, Siemens Healthineers. All awards were provided on a like-for-like basis in terms of the value provided and their performance and/or vesting periods. Further detail on these awards is included within our 2021 Annual Report, and further details on the amounts paid 2024 are shown on page 155.

2 John Rogers joined the Company on 1 December 2023 as CFO designate. The amounts shown represent the period from 1 April 2024 when John was appointed as CFO and as an Executive Director.

3 Anne-Françoise Nesmes left the Company on 1 May 2024 and was not eligible for a salary review in April 2024, a payment from the 2024 AIP, or a PSP award in March 2024.

4 Restricted Shares were issued to Deepak post shareholder approval in August 2024 at a share price of £11.701 and GBP/USD 1.277.

Directors' Remuneration Policy

Policy overview

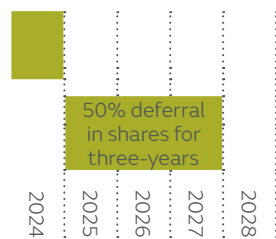
Remuneration Policy and 2024 Implementation for Executive Directors

This section provides a summary of the key features of the Remuneration Policy approved by shareholders at the 2024 AGM as it applies to Executive Directors. Please refer to the 2023 Annual Report (available on the Company's website) for full details.

Reward Element	Policy Summary	2024 Implementation																
Base Salary																		
2024	<p>Operation Base salaries are reviewed annually and allow for scope of role and the individual's experience and time in role as well as their performance.</p> <p>Maximum level Increases will generally not exceed the average increase for the wider employee population within the Executive Director's home country. A higher increase may be made if there is an increase in scope or responsibility of the individual's role; or to recognise development of the individual in role.</p> <p>Performance Business and individual performance will be taken into account.</p>	<table border="1"> <thead> <tr> <th>Base Salary</th> <th>Effective 1 April 2024</th> <th>Effective 1 April 2023</th> <th>% Increase</th> </tr> </thead> <tbody> <tr> <td>Deepak Nath</td> <td>\$1,572,424</td> <td>\$1,526,625</td> <td>3.0%</td> </tr> <tr> <td>John Rogers</td> <td>£725,000</td> <td>£725,000¹</td> <td>0%</td> </tr> <tr> <td>Anne-Françoise Nesmes</td> <td>£637,519</td> <td>£637,519²</td> <td>0%</td> </tr> </tbody> </table> <p>1 John Rogers joined on 1 December 2023. The salary shown is as at this date. He was not eligible for a salary review in April 2024. 2 Anne-Françoise Nesmes left the Company on 1 May 2024 and was not eligible for a salary review in April 2024.</p>	Base Salary	Effective 1 April 2024	Effective 1 April 2023	% Increase	Deepak Nath	\$1,572,424	\$1,526,625	3.0%	John Rogers	£725,000	£725,000 ¹	0%	Anne-Françoise Nesmes	£637,519	£637,519 ²	0%
Base Salary		Effective 1 April 2024	Effective 1 April 2023	% Increase														
Deepak Nath		\$1,572,424	\$1,526,625	3.0%														
John Rogers		£725,000	£725,000 ¹	0%														
Anne-Françoise Nesmes		£637,519	£637,519 ²	0%														
2025																		
2026																		
2027																		
2028																		
Pension and payment in lieu of pension																		
2024	<p>Operation Executive Directors receive a cash allowance in lieu of membership of a pension plan unless local laws require participation in a pension plan.</p> <p>Maximum level The maximum allowance will be no more than the percentage the Company pays towards pension in respect of the wider workforce in the Executive Director's home country.</p> <p>Performance No performance conditions.</p>	<table border="1"> <thead> <tr> <th>Pension contributions during 2024</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Deepak Nath¹</td> <td>7.5%</td> </tr> <tr> <td>John Rogers¹</td> <td>12.0%</td> </tr> <tr> <td>Anne-Françoise Nesmes^{1,2}</td> <td>12.0%</td> </tr> </tbody> </table> <p>1 The contribution paid is in line with the contribution paid to the wider workforce in the Executive Director's home country. 2 Anne-Françoise Nesmes left the Company on 1 May 2024.</p>	Pension contributions during 2024	%	Deepak Nath ¹	7.5%	John Rogers ¹	12.0%	Anne-Françoise Nesmes ^{1,2}	12.0%								
Pension contributions during 2024		%																
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2025																		
2026																		
2027																		
2028																		
Benefits																		
2024	<p>Operation Benefits which are competitive and in line with the Executive Director's home country.</p> <p>Maximum level The maximum is determined by the cost of providing the relevant benefits subject to plan limits and any tax or regulatory limits.</p> <p>Performance No performance conditions.</p>	<p>Benefits during 2024 include</p> <ul style="list-style-type: none"> – Medical benefits – Life insurance – Transportation benefits – Financial and tax advice support – All employee share purchase plan 																
2025																		
2026																		
2027																		
2028																		

Reward Element **Policy Summary** **2024 Implementation**

Annual Incentive Plan



Operation
 Annual cash bonus designed to reward performance over the year against financial and business objectives. One-half of the bonus payable is compulsory deferred into shares for three years without any matching. If the minimum shareholding requirement has been met, one-third rather than one-half of the bonus is deferred. Malus and clawback provisions apply.

Opportunity
 The maximum opportunity is 215% of base salary. No bonus is payable for performance below threshold. A bonus equal to no more than 15% of maximum is payable at threshold and 50% of maximum is payable for target performance. The payout is determined on a straight-line basis between threshold and target and between target and maximum.

Performance
 Typically, at least 80% of the bonus will be based on financial performance measures. The remainder will usually be based on business objectives linked to key areas of strategic focus. The Committee retains the discretion to adjust the weightings of each measure.

	At target (% of base salary)	At maximum (% of base salary)	Actual 2024 (% of maximum)
Deepak Nath	107.5%	215%	60.6%
John Rogers	107.5%	215%	60.7%
Anne-Françoise Nesmes ¹	107.5%	215%	n/a

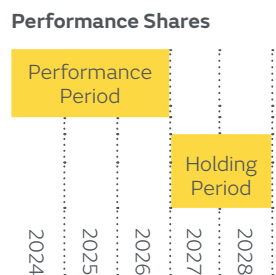
¹ Anne-Françoise left the Company on 1 May 2024 and was not eligible for a bonus in respect of the 2024 financial year.

Further details on the performance of the 2024 AIP is shown on page 157.

2024 Performance Measures
 applicable to all Executive Directors

	Weighting
Revenue (\$)	35%
Trading Profit Margin (%)	35%
Trading Cash Flow Conversion (%)	15%
Strategic Objectives (including ESG)	15%
TOTAL	100%

Long-Term Incentives



Operation
 Performance Share Plan awards are subject to a three-year performance conditions. To the extent the performance conditions are met, once sufficient shares have been sold to cover the tax liability, the remaining shares are subject to a two-year holding period. US Executive Directors receive Restricted Share Plan (RSP) awards which vest, subject to a reasonable judgement underpin as determined by the Committee at the time of vesting, on the first, second and third anniversaries of the award in line with US market practice.

Opportunity
 The maximum PSP award is 300% for US-based Executive Directors and 275% for UK-based Executive Directors. The maximum RSP award is 125% for US-based Executive Directors and UK Executive Directors are not eligible for an RSP award. For the PSP awards, if performance is below threshold, then there is no vesting. For threshold performance, 30% of the maximum will vest, and target performance results in 50% of maximum vesting. Vesting is on a straight line between threshold and maximum.

	2024 PSP Award (% of base salary)	2024 RSP Award (% of base salary)	PSP Vesting in 2024 (% of maximum)
Performance Shares			
Deepak Nath ¹	300%	125%	29.7%
John Rogers ²	275%	n/a	n/a
Anne-Françoise Nesmes ³	n/a	n/a	29.7%

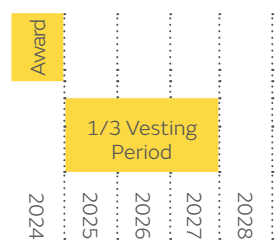
¹ Deepak was granted a PSP award of 275% of Base Salary in March 2024. In August 2024 he was granted a top-up award of 25% of Base Salary following the adoption by the Board of the new Remuneration Policy submitted to the AGM in May 2024. This top-up award was on the same conditions as the original award. He was also granted an RSP award of 125% in August 2024. He was eligible for a vesting in 2024 in respect of the PSP award granted in 2022.

² John Rogers joined on 1 December 2023, as a result, he did not have a PSP award vesting in 2024. John was awarded a PSP award of 275% of Base Salary in March 2024.

³ Anne-Françoise left the Company on 1 May 2024 and was not eligible for a PSP award in 2024. She was eligible for a vesting in 2024 in respect of the PSP award granted in 2022.

Further details on the performance of the 2022-2024 PSP award vesting in 2025 are shown on page 161.

Restricted Shares
 (US Executive Directors only)



Directors' Remuneration Policy continued

Reward Element	Policy Summary	2024 Implementation																																				
Long-Term Incentives (continued)																																						
	<p>Performance For the PSP, the performance measures are aligned with our key long-term strategic objectives. The measures typically include financial measures, shareholder return measures and strategic measures.</p> <p>The make-up and weighting of each measure is determined by the Committee each year, taking into account the strategic objectives over the relevant performance period. The Committee has discretion to override the formulaic outcome if it is not reflective of underlying performance. Malus and clawback provisions apply.</p> <p>No performance conditions apply to the RSP awards. However, a reasonable judgement underpin applies which considers, for example, factors such as the Company's financials over the vesting period as well as environmental, social, governance, reputational and safety considerations.</p>	<p>2022-24 PSP Award Performance Measures¹ (performance period 1 January 2022 to 31 December 2024)</p> <table border="1"> <thead> <tr> <th></th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>25%</td> </tr> <tr> <td>Free Cash Flow</td> <td>25%</td> </tr> <tr> <td>Return on Invested Capital</td> <td>25%</td> </tr> <tr> <td>Total Shareholder Return</td> <td>25%</td> </tr> <tr> <td colspan="2">50% FTSE 100 companies excluding financial, commodities (basic materials and oil and gas)</td> </tr> <tr> <td colspan="2">50% S&P Global 1200 Healthcare subset comprising medical devices, equipment and supplies companies</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table> <p>2024-26 PSP Award Performance Measures¹ (performance period 1 January 2024 to 31 December 2026)</p> <table border="1"> <thead> <tr> <th></th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>30%</td> </tr> <tr> <td>Return on Invested Capital</td> <td>30%</td> </tr> <tr> <td>Total Shareholder Return</td> <td>30%</td> </tr> <tr> <td colspan="2">50% FTSE 100 companies excluding financial, commodities (basic materials and oil and gas), food retail and utilities</td> </tr> <tr> <td colspan="2">50% MedTech Peer Group (see page 160)</td> </tr> <tr> <td>ESG Objectives</td> <td>10%</td> </tr> <tr> <td colspan="2">50% Environmental (reduction in Scope 1 & 2 greenhouse gas emission)</td> </tr> <tr> <td colspan="2">50% People (increase in representation of female people leaders)</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table>		Weighting	Revenue	25%	Free Cash Flow	25%	Return on Invested Capital	25%	Total Shareholder Return	25%	50% FTSE 100 companies excluding financial, commodities (basic materials and oil and gas)		50% S&P Global 1200 Healthcare subset comprising medical devices, equipment and supplies companies		Total	100%		Weighting	Revenue	30%	Return on Invested Capital	30%	Total Shareholder Return	30%	50% FTSE 100 companies excluding financial, commodities (basic materials and oil and gas), food retail and utilities		50% MedTech Peer Group (see page 160)		ESG Objectives	10%	50% Environmental (reduction in Scope 1 & 2 greenhouse gas emission)		50% People (increase in representation of female people leaders)		Total	100%
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50% People (increase in representation of female people leaders)																																						
Total	100%																																					

¹ The definitions of the performance measures are shown on page 159.

Shareholding requirement														
<p>2024 2025 2026 2027 2028</p>	<p>Executive Directors are required to establish and maintain a minimum shareholding over a reasonable period of time recognising that award vesting and differing international tax regimes may affect the pace at which the shareholding may be met.</p> <p>Executive Directors are required to retain a minimum shareholding (or their actual holding on departure if lower) for a period of two years after cessation of employment.</p>	<table border="1"> <thead> <tr> <th>Performance Shares</th> <th>Minimum Shareholding Requirement (% of base salary)</th> <th>Actual Shareholding at 31 Dec '24 (% of base salary)</th> </tr> </thead> <tbody> <tr> <td>Deepak Nath¹</td> <td>500%</td> <td>267%</td> </tr> <tr> <td>John Rogers²</td> <td>200%</td> <td>98%</td> </tr> <tr> <td>Anne-Françoise Nesmes³</td> <td>200%</td> <td>71%</td> </tr> </tbody> </table>	Performance Shares	Minimum Shareholding Requirement (% of base salary)	Actual Shareholding at 31 Dec '24 (% of base salary)	Deepak Nath ¹	500%	267%	John Rogers ²	200%	98%	Anne-Françoise Nesmes ³	200%	71%
Performance Shares	Minimum Shareholding Requirement (% of base salary)	Actual Shareholding at 31 Dec '24 (% of base salary)												
Deepak Nath ¹	500%	267%												
John Rogers ²	200%	98%												
Anne-Françoise Nesmes ³	200%	71%												

¹ The minimum shareholding requirement for Deepak was increased from 300% to 500% as part of the Remuneration Policy submitted to shareholders at our AGM in May 2024.

² John Rogers joined on 1 December 2023 and is gradually building his shareholding. He purchased 71,920 shares on 19 December 2024.

³ Anne-Françoise left the Company on 1 May 2024 and had not achieved her minimum shareholding at that time but will be required to have a shareholding at least equal to what she had at her time of leaving for a period of two years following her departure.

Remuneration Policy and 2024 Implementation for Non-Executive Directors

This section provides a summary of the key features of the Remuneration Policy approved by shareholders at the 2024 AGM as it applies to Non-Executive Directors. Please refer to 2023 Annual Report (available on the Company's website) for full details.

Basic Fee

	2024	2025	2026	2027	2028		Effective 1 April 2024	Effective 1 April 2023	% Increase
Operation						Base fees are reviewed annually. Any increase will be paid in shares until 25% of the total fee is paid in shares.			
Maximum level						Increases will generally not exceed the average increase for the wider employee population within the Non-Executive Director's home country. A higher increase may be made if there is an increase in activity or time commitment. The total maximum aggregate fee to Non-Executive Directors will not exceed the limit set out in the Company's Articles of Association.			
Performance						None.			
Basic Fee									
Chair ¹							£450,000	–	n/a
UK NED ²							£72,250	£69,500	4%
US NED ²							\$135,000	\$129,780	4%

- The Chair joined in September 2023 and the fee shown is his starting fee, and he was not eligible for an increase in 2024. Each year the Chair is required, to purchase shares equal to at least 25% of his post-tax annual fee.
- The fee for both UK and US Non-Executive Directors is paid partly in cash and partly in Company shares.

Additional Fee

	2024	2025	2026	2027	2028		Effective 1 April 2024	Effective 1 April 2023	% Increase
Operation						A fixed fee paid to reflect additional responsibilities such as a Committee Chair or Senior Independent Director(SID). The fee is reviewed annually.			
Maximum level						The total maximum aggregate fee to Non-Executive Directors will not exceed the limit set out in the Company's Articles of Association.			
Performance						None.			
Additional Fee									
SID Supplement							\$36,400	\$35,000	4%
Committee Chair							£20,800	£20,000	4%

Intercontinental Travel

	2024	2025	2026	2027	2028		Effective 1 April 2024	Effective 1 April 2023	% Increase
Operation						A fee to compensate for the time spent travelling to attend meetings in another continent. The fee is reviewed annually.			
Maximum level						The total maximum aggregate fee to Non-Executive Directors will not exceed the limit set out in the Company's Articles of Association.			
Performance						None.			
Travel Fee Per Meeting									
UK NED							£3,500	£3,500	–
US NED							\$7,000	\$7,000	–

2025 policy framework

This section provides a summary of how the Committee expects to implement the Remuneration Policy for Executive Directors in 2025.

		US Executive Directors	UK Executive Directors
Base Salary		3.0% increase (in line with average increase to US employees)	3.5% increase (in line with average increase to UK employees)
Pension and Benefits	Pension	Defined Contribution (7.5% of Base Salary)	Cash Supplement (12% of Base Salary)
	Benefits	Medical benefits Life Insurance Transportation benefits Financial and tax advice support All employee share purchase plan	Medical benefits Life insurance Transportation benefits Financial and tax advice support All employee share purchase plan
Annual Incentive Plan	Target (% of Base Salary)	107.5%	107.5%
	Maximum (% of Base Salary)	215%	215%
	Performance Conditions	85% financial ¹ 15% non-financial ²	85% financial ¹ 15% non-financial ²
	Bonus Deferral	50% deferred in shares for three years if minimum shareholding requirement not met, otherwise 30% deferred in shares for three years	50% deferred in shares for three years if minimum shareholding requirement not met, otherwise 30% deferred in shares for three years
Performance Share Plan	Maximum Award (% of Base Salary)	300%	275%
	Performance Conditions	30% Earnings per Share ³ 30% Return on Invested Capital 30% Total Shareholder Return 10% ESG Objectives	30% Earnings per Share ³ 30% Return on Invested Capital 30% Total Shareholder Return 10% ESG Objectives
	Vesting	Three-year performance condition plus a two-year holding period	Three-year performance condition plus a two-year holding period
Restricted Share Plan	Award (% of Base Salary)	125%	n/a
	Vesting	1/3 of award will vest on the first, second and third anniversaries of award, subject to a reasonable judgement underpin	n/a
Shareholding Requirement	During Employment	500%	200%
	Post-employment	500% for two-years	200% for two-years

1 Revenue, trading profit margin, free cash flow. Free cash flow replaced trading cash conversion as a performance metric (compared to 2024), as the Committee believes that this measure is a more comprehensive measure and will also reward more efficient capital allocation decisions.

2 Strategic objectives including ESG.

3 Earnings per share replaced revenue as a performance metric (compared to 2024) to reflect our long-term strategy of sustainable profitable growth.

This section provides a summary of the application of the Remuneration Policy for Non-Executive Directors in 2025.

		Chairman ¹	Non-Executive Directors ¹
Basic Fee		3.0% increase	UK: 3.5% increase US: 3.0% increase
Additional Fee	Senior Independent Director	n/a	UK: 3.5% increase US: 3.0% increase
	Committee Chair	n/a	UK: 3.5% increase US: 3.0% increase

1 Increases awarded are no greater than the average salary increase awarded to employees in the relevant country.

Note that all payments made to the Chair of the Board are determined by the Committee, while payments made to the Non-Executive Directors are determined by those Directors who are not themselves Non-Executive Directors, currently the Chair of the Board, Chief Executive Officer, and Chief Financial Officer.

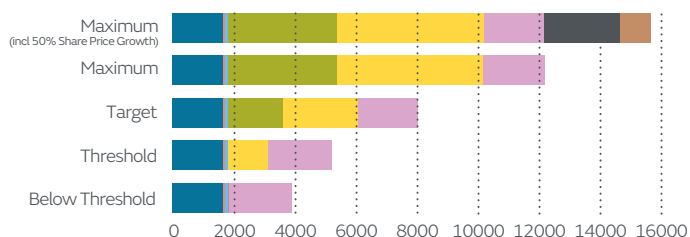
2025 Executive Director Remuneration Scenarios

Below is an illustration of the potential future remuneration that could be received by each Executive Director during 2025, both in absolute terms and as a proportion of the total reward under different performance scenarios. In developing the scenarios, the following assumptions have been made:

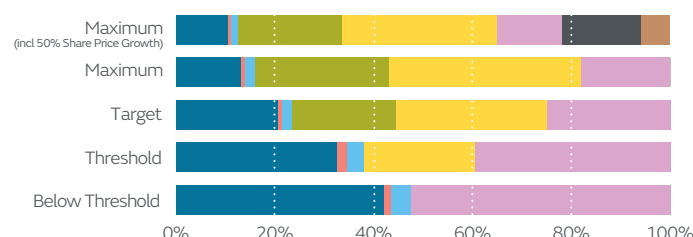
Below threshold	Fixed elements of remuneration (Base Salary, Pension & Benefits) plus for the CEO 100% of RSP award
Threshold	Fixed remuneration plus 25% of PSP maximum opportunity plus for the CEO 100% of RSP award
Target	Fixed elements of remuneration plus 50% of maximum bonus plus 50% of PSP maximum opportunity plus for the CEO 100% of RSP award
Maximum	Fixed elements of remuneration plus 100% of maximum bonus plus 100% of PSP maximum opportunity plus for the CEO 100% of RSP award
Maximum plus 50% share price growth	Maximum plus a 50% share price growth on the PSP award and 100% of RSP award

Deepak Nath, CEO

Value of Package (\$)



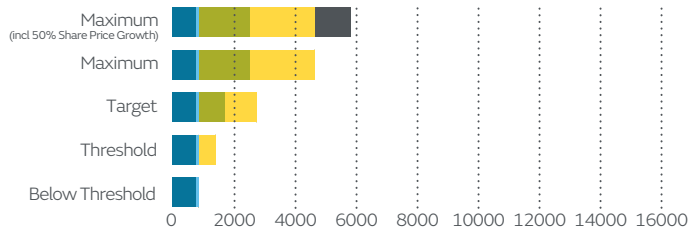
Composition of Package



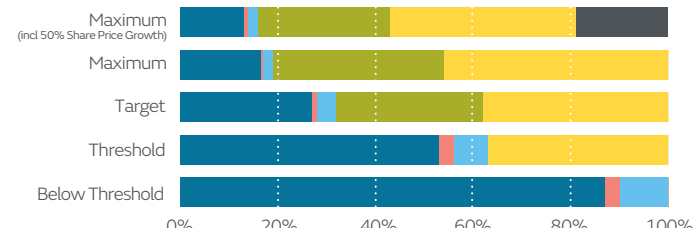
Legend: Base Salary (Dark Blue), Benefits (Red), Pension (Light Blue), AIP (Green), PSP (Yellow), RSP (Purple), PSP (Share Price Growth) (Dark Grey), RSP (Share Price Growth) (Brown)

John Rogers, CFO

Value of Package (\$)



Composition of Package



Legend: Base Salary (Dark Blue), Benefits (Red), Pension (Light Blue), AIP (Green), PSP (Yellow), PSP (Share Price Growth) (Dark Grey)

Note that PSP and RSP awards have been shown at face value. The charts provide illustrative values of the remuneration package in 2025. Actual outcomes may differ from those shown.

Directors' Remuneration Policy continued

Reward strategy and application

Our reward approach is designed to be competitive across the diverse markets in which we operate, allowing us to attract and retain top talent globally. In this context, the Remuneration Committee is responsible for setting the remuneration arrangements for Executive Directors, ensuring alignment with the Company's values and long-term business strategy. In doing so, the Committee also considers the remuneration arrangements of the broader workforce, related policies, and the alignment of incentives and reward with culture.

The table below outlines the strategic rationale for each component of remuneration and how our remuneration structure applies to different employee groups within Smith+Nephew.

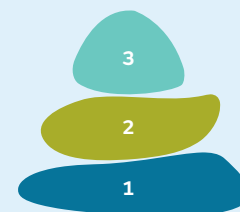
Reward element and strategic rationale	Executive Directors	Executive Committee	Senior Executives	Senior Managers	Managers	Wider Workforce
Base salary Fair and competitive pay to attract and retain employees.	Base salary is set with reference to the relevant local market and takes account of the employee's knowledge, experience, and contribution to the role. Base salaries are usually reviewed annually and take into account local salary norms, local wage inflation and business conditions. Increases in base salary for Executive Directors will take into account the level of salary increases granted to all employees within the Group in the Executive Director's home country.					Base salary is either subject to negotiation with local trade unions or follows the market pay approach outlined for managers.
Pensions and Benefits Support employees in the performance of their role and to ensure the package is market competitive	Employment and post-retirement benefits are offered in line with relevant home market.					
Short-Term Incentives Nearly all employees are eligible to participate in an annual incentive plan. The bonus opportunity varies by role level. The performance objectives within the plans cascade from the objectives set for Executive Directors at the start of the year to ensure the performance of all employees is linked to the Company's strategy.	Annual incentive based on 85% financial metrics plus 15% strategic objectives. Compulsory deferral into shares for three years.	Annual incentive based on 80% financial metrics plus 20% strategic objectives. Compulsory deferral into shares for three years.	Annual incentive based on 70% financial metrics plus 30% strategic objectives. Certain employees within commercial or sales roles participate in a sales incentive plan instead of the annual incentive plan.		Annual incentive is either subject to negotiation with local trade unions; follows the standard annual incentive framework for managers with 60% financial metrics and 40% strategic objectives; or is a sales incentive plan.	
Long-Term Incentives Longer term reward, predominantly in shares, to recognise and reward performance delivery and create alignment with shareholder interests.	PSP awards are subject to a three-year performance period and a two-year holding period.	PSP awards are subject to a three-year performance period.				
	RSP awards are awarded to US Executive Directors only. The awards vest in three equal annual instalments and are subject to continued employment and a reasonable judgement underpin.	RSP awards are awarded and vest in three equal annual instalments subject to continued employment and good standing. The level of award granted to employees is dependent on the role level, personal performance, and company performance conditions in the year prior to the award.		RSP awards may be granted as special recognition or to motivate and retain key talent. Awards typically vest in three equal annual instalments subject to continued employment and good standing.		
Eligible employees may participate in the Smith+Nephew all employee share purchase plan. This plan enables employees to save on a regular basis (up to certain limits) and then buy shares in the Company at a discount.						

Our Strategy for Growth

1 Strengthen the foundation to serve customers sustainably and simply

2 Accelerate profitable growth through prioritisation and customer focus

3 Transform our business through innovation and acquisition



» See pages 10 to 13 for further information on our Strategy for Growth

The chart below shows how our incentive plan performance measures for 2025 align directly with the Company's Strategy for Growth.

Incentive Plan and Performance Measures	Strengthen	Accelerate	Transform
Annual Incentive			
Revenue (\$)	●	●	●
Trading Profit Margin (%)	●	●	●
Free Cash Flow (\$)	●	●	
Strategic Objectives (incl. ESG)	●	●	●
Long Term Incentive			
Earnings per Share	●	●	●
Return on Invested Capital	●	●	●
Total Shareholder Return	●	●	●
ESG Objectives	●		

We operate in a highly competitive global market for skills and talent, and our workforce plays a critical role in achieving our business goals. To compete effectively, our remuneration approach must be flexible and tailored to different markets, ensuring we remain responsive to competitive challenges. As a result, we regularly review the market and benchmark our employee total reward to ensure that we remain competitive in the markets in which we compete for talent.

To assess the competitiveness of our reward arrangements, we analyse market data to compare our reward arrangements with similar other organisations in terms of size, industry, and geographic location. The precise benchmarking group used can vary by role to ensure we capture the market dynamics and competitiveness of strategically important roles, for example, for the recent CEO benchmarking exercise the following specific MedTech peer group was used:

- Align Technology Inc.
- Alcon Inc.
- Bausch + Lomb Corp.
- Baxter International Inc.
- Becton Dickinson & Co
- Boston Scientific Corp.
- bioMerieux SA
- Coloplast A/S
- Dentsply Sirona Inc
- Edwards Lifesciences Corp.
- GE HealthCare Tech Inc.
- Hologic Inc.
- IDEXX Laboratories Inc.
- Intuitive Surgical Inc.
- Koninklijke Philips NV
- QuidelOrtho Corp.
- Resmed Inc.
- Sonova Holding AG
- Steris Plc
- The Cooper Companies Inc.
- Zimmer Biomet Holdings Inc.

Directors' Remuneration Policy continued

When designing and implementing the approach to remuneration for Executive Directors, in addition to considering the arrangements of the broader workforce and the market for global and local talent, the Committee also takes account of shareholder expectations and the remuneration factors set out in Provision 40 of the UK Corporate Governance Code.

Factor within Provision 40	How the Factor is addressed
<p>Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.</p>	<p>In line with our commitment to full transparency and engagement with our shareholders on the topic of executive remuneration, the Committee Chair periodically engages with our major shareholders, and in a year of significant change, the Committee Chair will consult with our major shareholders to discuss and seek views on any proposals. The Company consults directly with the broader employee population on their remuneration through a variety of methods including meetings, guides, human resources or business-led briefings, direct line manager engagement and materials posted on the intranet or to employees' homes.</p>
<p>Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.</p>	<p>Remuneration arrangements for Executive Directors avoid unnecessary complexity and consist of a simple construct that includes:</p> <ul style="list-style-type: none"> – Salary set to be market competitive to attract and retain. – Benefits and pension contributions set in line with the broader workforce and in the Executive Director's home country. – Annual Incentive Plan (AIP), a portion of which is deferred into shares. – Performance Share Plan (PSP) awards, and in the case of US Executive Directors Restricted Share Plan (RSP) awards, which ensure a focus on performance over the longer term.
<p>Risk Remuneration arrangements should ensure reputational risks, and other risks, that may result from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.</p>	<p>A range of design features exist within our remuneration arrangements to take risks into account as follows:</p> <ul style="list-style-type: none"> – Malus and clawback provisions within annual and long-term incentives. – Reasonable discretion to override formulaic outcomes. – Reasonable judgement underpins applicable to vesting of RSP awards in the case of US Executive Directors.
<p>Predictability The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.</p>	<p>Our Remuneration Policy contains the following: Maximum award levels and vesting outcomes applicable to AIP, PSP and RSP awards. The Committee can apply malus, clawback and reasonableness discretion where appropriate.</p>
<p>Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.</p>	<p>Performance conditions attached to annual and long-term incentive arrangements require a minimum level of performance to be achieved before any payout is made. There is a direct link between an individual's reward and their contribution to driving strategy and increasing Company performance. No payment is made for poor performance. Any individual's performance that is below expectations is dealt with as part of our performance management process – any individual leaving due to performance issues would not be entitled to any incentive payments.</p>
<p>Alignment to culture Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.</p>	<p>There is a direct link between driving our business strategy and an individual's reward, with incentive measures chosen to align with the Company's strategic objectives which are cascaded through the organisation, ensuring that there are shared common goals.</p>

Engagement on Remuneration

Shareholders

In line with our commitment to transparency and active shareholder engagement regarding executive remuneration, the Committee Chair regularly engages with our major shareholders and proxy advisers to discuss proposed changes to our remuneration policies.

Notably, during the development of proposed changes to the remuneration of US Executive Directors, both the Chair of the Board and the Committee Chair held direct meetings with major shareholders to discuss and gather feedback on the proposals. This direct engagement was highly valued by the Board and Committee and played a crucial role in shaping the policy changes presented at our AGM in May 2024.

Additionally, the Committee regularly receives updates on the collective views of shareholders and investor advisory bodies from its independent adviser, Willis Towers Watson.

Employees

The Board receives regular updates on employee engagement, including employee engagement survey results. The Board and the Compliance & Culture Committee also actively engage with employees. Feedback from the Committee's activities, along with insights from Board interactions during site visits and other forums, provides valuable context. Combined with data and reports from senior management, this helps the Board understand employee perspectives and priorities. In 2024, we engaged employees across the Group through various channels, including in-person and virtual meetings, as well as listening forums.

Our Employee Inclusion Groups (EIGs) play a key role in fostering inclusivity where everyone feels they belong, and in educating employees about the unique issues our colleagues face in and out of the workplace. We consult with employees and their representatives regularly, and on a wide variety of topics, incorporating their views into our decision-making process.

This report is the main way we communicate with employees on how executive pay aligns with the broader workforce. While the Committee doesn't directly consult employees when determining executive pay, the Committee Chair shared an overview of Executive Director remuneration, including recent changes for US Executive Directors, at a Board listening forum. Those employees attending understood and supported the changes, recognising the importance of a stable leadership in delivering business growth and long-term value.

Wider workforce remuneration

The Committee believe that well-designed reward arrangements can be a tool of culture change and improvement in Company performance. As a result, it periodically reviews, and receives updates on, reward matters that affect the broader workforce.

Approach to Recruitment

The Recruitment Policy provides a suitable framework for attracting individuals with the necessary expertise to lead a company of our size, scale, and complexity. The table below outlines the policy, for both internal and external recruitment, and the different elements that may be included within a remuneration package for an Executive Director, along with the approach the Remuneration Committee would take for each element.

Element	Policy and operation
Overall	The policy of the Board is to recruit the best candidate possible for any Board position and to structure pay and benefits in line with the Remuneration Policy. The ongoing structure of a new recruit's package would be the same as for existing directors, with the possible exception of an identifiable buy-out provision, as set out below.
Base salary	Base salary is positioned at a fair and appropriate level allowing for a range of factors including the executive's current remuneration and experience, internal relativities, an assessment against relevant comparator groups and cost. If a new Executive Director is initially appointed at a lower rate, the Committee retains the ability to award larger increases in subsequent years to realign the salary over time as the individual develops in the role.
Benefits and pension	An Executive Director will be eligible for benefits and pension arrangements in line with the arrangements offered to comparable roles in the country in which the Executive Director is based.
Annual incentive	The maximum level of opportunity is 215% of base salary. The Committee retains discretion to set different performance targets for a new externally appointed Executive Director, or to adjust performance targets and/or measures in the case of an internal promotion, to be assessed over the remainder of the financial year. In this case any bonus payment would be made at the same time as for existing directors, such award to be pro-rated for the time served in the performance period.
Long-term incentive	The maximum level of opportunity is as set out in the Remuneration Policy. For US Executive Directors, it is 425% (300% PSP plus 125% RSP) and for UK Executive Directors it is 275% (PSP). To achieve rapid alignment with Smith+Nephew and shareholder interests, the Committee retains discretion to grant an award to a new externally appointed Executive Director on, or soon after, appointment if they join outside of the normal grant period.
Replacement or buy-out awards	The Committee retains discretion to grant replacement buy-out awards (in cash or shares) to a new externally appointed Executive Director to reflect the loss of awards granted by a previous employer. Where this is the case, the Committee will seek to structure the replacement award such that overall it is on an equivalent basis to broadly replicate that foregone, using appropriate performance terms. If the Executive Director's prior employer pays any portion of the remuneration that was anticipated to be forfeited, the replacement awards shall be reduced by an equivalent amount.
Other	If the Committee concludes that it is necessary and appropriate to secure an appointment, relocation-related support and international mobility benefits may be provided, depending on the circumstances and in line with the Group's broader approach. In addition, where a new Executive Director requires legal or other professional advice related to the appointment to understand the obligations, duties and legal and regulatory requirements of the new role, the associated fees may be paid (or reimbursed) by the Company.

Directors' Remuneration Policy continued

Service contracts and policy on payment for loss of office

The following table sets out the key provisions of the service contracts of Executive Directors and the treatment of payments on termination of employment. The Executive Director service contracts (as well as the terms and conditions of appointment of the Non-Executive Directors) are available for inspection at the Company's registered office (Building 5, Croxley Park, Hatters Lane, Watford, WD18 8YE, United Kingdom).


















In exceptional circumstances, the Committee may authorise, where it considers it to be in the best interests of the Company and shareholders, entering into contractual arrangements with a departing Executive Director, for example a settlement, confidentiality, restrictive covenant or other arrangement, pursuant to which sums not set out in the following table may become payable. Full disclosure of the payments will be made in accordance with the remuneration reporting requirements.

	Deepak Nath	John Rogers
Date of service agreement	1 April 2022	1 December 2023
Date of appointment as director	1 April 2022	1 April 2024
Employing company	Smith & Nephew Inc	Smith & Nephew Plc
Contract duration	No fixed term	
Notice period	No more than 12 months' notice	
Post-termination restrictions	The contracts of employment contain the following restrictions on the Director for 12 months from the date of termination of employment: <ul style="list-style-type: none"> – Non-compete clause for employment – Non-dealing and non-solicitation of client/customers – Non-solicitation of suppliers and non-interference with supply chain – Non-solicitation of employees 	
Summary termination – payment in lieu of notice	The Company may, at its absolute discretion, terminate the employment of the Director with immediate effect by giving written notice together with payment of a sum equivalent to the Director's base salary and the value of his contractual benefits as at the date such notice is given, in respect of the Director's notice period, less any period of notice worked. The Company may elect to make this payment monthly or as a lump sum.	
Termination payment – change of control	The Company shall pay, 12 months' base salary, together with a sum equivalent to the value of the Director's contractual benefits, as at the date of termination within one year of change of control. Reasonable outplacement costs will also be covered.	
Termination – treatment of annual incentive awards	Annual bonus awards are made at the discretion of the Remuneration Committee. Executive Directors will receive a bonus, pro rata to service for the current performance year, unless the reason for leaving is resignation or misconduct, in which case the awards will lapse on cessation of employment. Prior deferred bonus awards may still be awarded in case of resignation as set out in the Remuneration Policy.	
Termination – treatment of long-term incentive awards	PSP and RSP awards are made at the discretion of the Remuneration Committee. Executive Directors will be eligible for PSP awards, pro rata to service for the performance period, unless the reason for leaving is resignation or misconduct, in which case the awards will lapse on cessation of employment. Similarly, US Executive Directors eligible for RSP awards will receive outstanding awards pro rata for service over the award vesting period.	
Redundancy arrangements	12 months' base salary and contractual benefits. Reasonable outplacement costs.	
Holiday	Upon termination for any reason entitled to payment in lieu of accrued but untaken holiday entitlement (subject to overriding local law and regulation).	






Chair and Non-Executive Directors

The Chair of the Board and each of the Non-Executive Directors have letters of appointment. The letters of appointment do not contain any contractual entitlement to a termination payment and the Non-Executive Directors can be removed in accordance with the Company's Articles of Association. Directors are required to retire at each AGM and seek re-election by shareholders.

The details of the service contracts in relation to the Non-Executive Directors who served during the year are set out in the table below. Neither the Chair of the Board nor the Non-Executive Directors have provisions in their letter of appointment that relate to a change of control of the Company.

	Committee Appointments	Date of Appointment	Expiry of Current Term	
Chair				
Rupert Soames	 	24 April 2023		
Non-Executive Directors				
Marc Owen	  	1 October 2017	Initial term of appointment is for 36 months subject to election at each AGM. Thereafter, the appointment is for 12 months following re-election at each AGM	
Jo Hallas	 	1 February 2022		
John Ma		17 February 2021		
Katarzyna Mazur-Hofsaess		1 November 2020		
Angie Risley	 	18 September 2017		
Bob White	 	1 May 2020		
Jez Maiden	 	14 September 2023		
Simon Lowth	 	1 January 2024		
Rick Medlock		9 April 2020		30 April 24

Committee key

Member of the Audit Committee 	Member of the Remuneration Committee 	Member of the Nomination & Governance Committee 	Member of the Compliance & Culture Committee 	Committee Chair 
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Annual report on remuneration

This section provides details on how the Directors' Remuneration Policy was implemented during 2024 (the Implementation Report) and how we intend to apply it in 2025.

About the Remuneration Committee

The members of the Remuneration Committee include Angie Risley (Chair), Rupert Soames, Jez Maiden and Bob White. Details of attendance at Committee meetings during the year are shown on page 103.

The Committee's role is to ensure that our Remuneration Policy and practices are aligned with the business strategy and promote long-term sustainable success. The Committee's Terms of Reference can be found on our website. These terms include the determination of fair remuneration for Director and the Chair of the Board (no individual participates in discussions about their own remuneration). In addition, the Committee receives recommendations from the Chief Executive Officer on the remuneration of those reporting to him, as well as advice from the Chief HR Officer.

Advisers to the Committee

During the year under review, the Committee received material assistance and advice on remuneration policy from the Head of Reward and Chief HR Officer. The Chief Executive Officer also provided advice that was of material assistance to the Committee.

The Committee appoints independent remuneration consultants who attend Committee meetings and provide independent advice and information on corporate governance developments and market trends on pay and incentive arrangements.

The Committee appointed Willis Towers Watson as adviser to the Committee in 2023 following a competitive tender process. The total fees paid to Willis Towers Watson in respect of its services to the Committee during the year were £165,271. The fees paid are based on the standard market rates for remuneration committee advisory services. Willis Towers Watson is a signatory to the Remuneration Consultants Group Code of Conduct.

Willis Towers Watson also provides consultancy services to the Company in relation to certain employee and benefit matters applying to those below the Board. The Committee is satisfied that the advice provided by Willis Tower Watson was independent and objective and that the provision of additional services did not compromise that independence. The Committee is also satisfied that the team who provided advice do not have any connection to Smith+Nephew that may impair their independence and objectivity.

The work carried out by the Committee during the year is set out on pages 136-139.

Statement of Shareholder Voting

We carefully monitor shareholder voting on our Remuneration Policy and its implementation. We recognise the importance of our shareholders' continued support for our remuneration arrangements.

The table below shows the results of the polls taken on the resolution to approve the Remuneration Policy, the Director's Remuneration Report, and Restricted Share Plan at our AGM in May 2024.

Resolution	Number of votes cast	For	Against	Votes Withheld
Remuneration Policy	677,164,841	384,484,538 (56.78%)	292,680,303 (43.22%)	1,744,476
Directors' Remuneration Report (excluding Policy)	678,550,473	661,110,005 (97.43%)	17,440,468 (2.57%)	357,619
Restricted Share Plan	677,177,266	378,880,121 (55.95%)	298,297,145 (44.05%)	1,728,668

The Committee appreciated the engagement and input from shareholders throughout the consultation on the recent changes to our Remuneration Policy, and we are grateful for the support from the majority of our shareholders, with 57% voting in favour of the changes and 56% backing the adoption of a new Restricted Share Plan.

In line with UK corporate governance requirements, following the AGM we contacted shareholders that represented 75% of our issued share capital to seek further feedback and comments on the proposed changes to our Remuneration Policy. While shareholders who had engaged with us welcomed the majority vote in favour, those who had voted against did not provide any further comments.

Following this further consultation, the Board met to discuss the proposed changes, the AGM vote, and the interests of all applicable stakeholder groups. Given the lack of additional investor feedback during the further consultation and the continued support of active investors for the change in the Remuneration Policy, the Committee and Board determined that they would implement the wishes of the majority of shareholders and adopt the Policy and new Restricted Share Plan with no further changes. The changes were implemented in August 2024.

Remuneration for the year ended 31 December 2024

Our Remuneration Policy operated as intended over the year, and the table below sets out the single total figure of remuneration for each Executive Director received in respect of qualifying service over 2024 together with comparatives for 2023. An explanation of how the figures are calculated follows the table.

Executive Directors – Single figure of remuneration (audited)

000s USD	Executive Directors		Former Executive Director			
	Deepak Nath (appointed 1 April 2022)	John Rogers ¹ (from 1 April 2024)	Anne-Françoise Nesmes ¹ (up until 31 March 2024)			
	2024	2023	2024	2023		
Fixed pay						
Base salary	1,560	1,513	695	–	204	786
Pension	117	25	83	–	24	94
Benefits	42	40	12	–	4	15
Total Fixed Pay	1,719	1,578	790	–	232	895
Annual variable pay						
Annual Incentive Plan (AIP)						
Cash	1,017	998	605	–	–	505
Deferred Shares	1,017	999	605	–	–	505
Total AIP	2,034	1,997	1,210	–	–	1,010
Long Term Incentive Plans (LTIPs)						
Performance Share Plan ²	1,298	–	–	–	674	154
Share Price Appreciation ³	-246	–	–	–	-128	–
Restricted Share Plan ²	1,966	–	–	–	–	–
Forfeited Incentives ⁴	1,042	1,083	–	–	–	–
Total LTIPs	4,060	1,083	n/a	–	546	n/a
Total Variable Pay	6,094	3,080	1,210	–	–	1,165
Total Single Figure	7,813	4,658	2,000	–	778	2,060

1 All data is presented in our reporting currency of US Dollars. Amounts for John Rogers and Anne-Françoise Nesmes have been converted from British Pounds to US Dollars using a 12-month average exchange rate (£1 to \$1.278).

2 Dividend equivalent shares are applied on vested PSP and RSP awards and are valued at the grant price for the awards and included in the face-value figure. The impact of the share price change for awards vesting is included under share price appreciation.

3 Share price appreciation is being reported in the single figure for 2024 onwards. For Anne-Françoise Nesmes', share appreciation pertaining to 2023 PSP vesting was valued at -\$68K.

4 These relate to buy-out awards which vested during the year. These were granted to Deepak Nath in respect of outstanding incentives he forfeited on leaving his former company, Siemens Healthineers. Full details of the buy-out awards can be found in our 2021 Annual Report. During the year ended 31 December 2024, the following such awards vested:

- Partial vesting of Restricted Stock Unit (RSU) award granted over a total of 12,061 shares: 3,015 shares vested on 8 November 2024.
- Partial vesting of RSU award over a total of 14,364 shares: 4,788 shares vested on 13 November 2024.
- Partial vesting of a Performance Share Award granted over a total of 97,360. Following confirmation of performance against the targets attached to the original award, 75,254 shares vested on 4 December 2024, with the remaining balance of 22,106 shares lapsing on the same date. The shares are valued at 9.812, being the S+N share price as at the grant date.

Annual report on remuneration continued

Base salary

Base salaries of Executive Directors are reviewed annually and allow for scope of role and the individual's experience and time in role as well as their performance. The increases awarded were in line with the wider workforce within the country in which the Executive Director is based.

000s	Annual Base Salary 1 April 2024	Annual Base Salary 1 April 2023	% change
Executive Directors			
Deepak Nath	\$1,572	\$1,527	3%
John Rogers ^{1,2}	\$927 (£725)	–	–
Former Executive Directors			
Anne-Françoise Nesmes ^{1,2}	\$814 (£637)	\$792 (£637)	0%

1 John Rogers and Anne-Françoise Nesmes were based in the UK and paid in British Pounds. The figure in parenthesis represents the value in local currency.

2 Anne-Françoise Nesmes was CFO and an Executive Director up until 31 March 2024 when she stepped down from the Board and left the Company on 1 May 2024. She was not eligible for a salary increase on 1 April 2024 given her impending departure. John Rogers joined in December 2023 and was appointed as CFO and Executive Director from 1 April 2024 and was not eligible for an increase in 2024.

Pensions

Executive Directors either participate in a defined contribution pension plan at a rate equivalent to that of the wider workforce in the country in which they are based, or receive a cash allowance in lieu of membership of a pension plan.

	Amount '000s	Benefit (% of Base Salary)
Executive Directors		
Deepak Nath ¹	\$117	7.5%
John Rogers ²	\$83 (£65)	12%
Former Executive Directors		
Anne-Françoise Nesmes ^{2,3}	\$24 (£19)	12%

1 Due to an administrative oversight, Deepak was underpaid pension contributions in 2023. This was rectified in January 2024 and the impact of this correction is included in the figure shown. The figure for 2024 excluding this error was \$25,875.

2 John Rogers and Anne-Françoise Nesmes were based in the UK and paid in British Pounds. The figure in parenthesis represents the value in local currency.

3 Anne-Françoise Nesmes was a CFO and an Executive Director up until 31 March 2024 when she stepped down from the Board, and left the Company on 1 May 2024. The amount shown is for the period she was an Executive Director.

Benefits

Executive Directors are provided with benefits that are competitive in their home country. This includes, medical, life insurance, transportation benefits plus tax advice services.

000s	Medical		Transportation (car and fuel allowance)		Tax Support Services	
	2024	2023	2024	2023	2024	2023
Executive Directors						
Deepak Nath	\$13	\$12	\$13	\$13	\$16	\$15
John Rogers ¹	\$1 (£1)	–	\$11 (£9)	–	–	–
Former Executive Directors						
Anne-Françoise Nesmes ^{1,2}	\$1 (£1)	\$1 (£1)	\$4 (£3)	\$14 (£11)	–	–

1 John Rogers and Anne-Françoise Nesmes were based in the UK and paid in British Pounds. The figure in parenthesis represents the value in local currency.

2 Anne-Françoise Nesmes was CFO and an Executive Director up until 31 March 2024 when she stepped down from the Board, and left the Company on 1 May 2024. The amount shown is for the period she was an Executive Director.

Annual Incentive Plan (AIP)

The 2024 AIP is based on performance for the year ended 31 December 2024. The bonus opportunity for Executive Directors is 215% of Base Salary with 85% of the bonus opportunity tied to financial performance and the remaining 15% tied to strategic objectives (including ESG objectives).

To the extent a bonus is payable, one-half is deferred into shares for three years without any matching. If the Executive Director has met the minimum shareholding requirement, 30% rather than 50% of the bonus is deferred. The figures in the table below represent the total annual bonus amount to be paid, including the amount deferred in shares.

The performance measures and weightings which applied to the 2024 Annual Incentive Plan were as follows:

Performance Measure	2024 Performance Range and Outcome ¹						Weighted Vested Outcome (%)				
	Threshold (15% max)	Target (50% max)	Maximum (100% max)	% of Target		Weighting	Deepak Nath	John Rogers			
Financial											
Revenue	Target	\$5,757m	\$5,868m	\$6,025m							
	Actual		\$5,884		110.1%	x	35%	=	38.5%	38.5%	
Trading Profit Margin	Target	17.5%	18.0%	18.5%							
	Actual		18.0% ²		99.2%	x	35%	=	34.7%	34.7%	
Trading Cash Flow Conversion	Target	75%	80%	90%							
	Actual			94.4%	200.0%	x	15%	=	30.0%	30.0%	
Strategic Objectives (see page 158)											
Deepak Nath					120.0%	x	15%	=	18.0%	–	
John Rogers					121.7%	x	15%	=	–	18.3%	
Total (% of maximum)							100%	=	60.6%	60.7%	
									x	x	
Maximum Bonus opportunity (% of Base Salary)									215%	215%	
									x	x	
2024 Base Salary ³									\$1,560,974	\$926,550 (£725,000)	
									=	=	
2024 Annual Bonus									\$2,034,434	\$1,210,073	
(of which 50% is deferred in shares for three years)										(£946,849)	
									% of Target Bonus Opportunity	121.2%	121.5%
									% of Base Salary	130.3%	130.6%

1 All numbers have been rounded to the nearest decimal. For the purpose of incentive calculations, we are using constant currency rates.

2 Actual Trading Profit Margin is 17.99%.

3 Base Salary for bonus purposes is determined based on the actual Base Salary received over the 12-month period ended 31 December 2024.

Anne-Françoise Nesmes was CFO and an Executive Director up until 31 March 2024 when she stepped down from the Board, and left the Company on 1 May 2024. She was eligible for a bonus payment in respect of the 2023 Annual Incentive Plan but was not eligible for a payment from the 2024 Annual Incentive Plan.

Annual Incentive Plan (AIP) continued

Strategic Objectives

Key strategic objectives represent 15% of the annual bonus opportunity. For 2024, these objectives focused on the delivery of the Group's strategy, our people and processes, customers and advancing our sustainability agenda.

	Objective	Assessment	Weighting	Outcome (% of maximum)
Deepak Nath	Enable and drive long-term growth and profitability through the delivery of the in-year milestones within the 12-Point Plan, plus 2024 cost reduction program. Enhance internal talent succession pipeline for all Executive Committee roles to help support the successful delivery of the business strategy over the longer term.	Very good progress on the delivery of the 2024 milestones, with most targets being either met or exceeded. In addition, the level of cost reduction achieved during the year exceeded target, with \$246m of annualised savings being delivered, plus a further embedding of a cost focused culture. As a result of proactive management and personal development initiatives, the number of potential successors in the talent pipeline for Executive Committee roles increased by 17% over the year.	5%	60%
	Strategic portfolio development, including M&A plus product pipeline development and launch.	Fifteen new products developed ready for launch on time and within budget, with good progress also being made in our new product development and early innovation projects. The integration of CartiHeal is on track and will deliver in line with the acquisition plan over the coming year.	5%	
	ESG scorecard with targets relating to: – Reduction in Scope 1 & Scope 2 Greenhouse Gas emissions (relative to 2019 baseline) – Employee engagement score – Voluntary employee turnover – Female representation in people leader roles – Ethnic representation in management roles in the UK and US.	A reduction of 63% in our Scope 1 and Scope 2 GHG emissions (relative to our 2019 baseline) was achieved which exceeded our 2024 target (60%), and good progress was made in implementing initiatives that will enable us to hit our net zero ambition. Our employee engagement (as measured by Gallup) increased over the year to the 61st percentile, and our voluntary global employee turnover reduced to 9.5%, which is materially lower than the prior year. Good progress was made in relation to our diversity and inclusion goals, with an increase in female representation in people leader roles to 34.8% (from 34%) and an increase in our ethnicity representation to 11.4% and 20.6% in the UK and US respectively.	5%	
John Rogers	Enable and drive long-term growth and profitability through the delivery of the in-year milestones within the 12-Point Plan specifically in relation to Order-to-Cash and pricing strategies.	Very good progress on the delivery of the 2024 milestones with most targets (including those relating to Order-to-Cash and pricing) being either met or exceeded. In addition, the level of cost reduction achieved during the year exceeded targets, with \$246m of annualised savings being delivered.	5%	60.83%
	Establish high-performing teams in Finance, GBS and IT that will execute refreshed strategies and deliver improved and efficient processes, reporting and insights.	Further strengthened and diversified the Finance, IT and GBS teams with key hires. Improved a number of key processes including, for example, a new rigorous and robust budgeting process that enabled additional cost saving opportunities to be identified and greater cost discipline.	5%	
	ESG scorecard with targets relating to: – Reduction in Scope 1 & Scope 2 Greenhouse Gas emissions (relative to 2019 baseline) – Employee engagement score – Voluntary employee turnover – Female representation in people leader roles – Ethnic representation in management roles in the UK and US.	A reduction of 63% in our Scope 1 and Scope 2 GHG emissions (relative to our 2019 baseline) was achieved, which exceeded our 2024 target (60%), and good progress was made in implementing initiatives that will enable us to hit our net zero ambition. Our employee engagement (as measured by Gallup) increased over the year to the 61st percentile, and our voluntary global employee turnover reduced to 9.5%, which is materially lower than the prior year. Good progress was made in relation to our diversity and inclusion goals, with an increase in female representation in people leader roles to 34.8% (from 34%) and an increase in our ethnicity representation to 11.4% and 20.6% in the UK and US respectively.	5%	

Decision on 2024 AIP Outcomes

The Committee strive to maintain a clear link between pay and performance, focusing on setting challenging performance targets and evaluating both company-wide and individual achievements.

The performance has been assessed according to the extent to which the Executive Directors have met the expectations of the Board, and how they have performed in respect of our culture pillars of Care, Collaboration and Courage. The Committee believes that the payments outlined in this report fairly reflect the performance achieved, and leadership behaviours exhibited, and as such there was no need to apply discretion. The Committee believes that the Remuneration Policy operated as intended during the year.

Performance Share Plan (PSP)

Executive Directors are ordinarily awarded annual PSP awards equal to 275% of Base Salary. From 2024, US Executive Directors are awarded annual PSP awards equal to 300% of Base Salary. PSP awards are subject to a three year performance condition, and vest on a straight-line basis between threshold and maximum. To the extent the performance conditions are met, once sufficient shares have been sold to cover the tax liability, the remaining shares are subject to a two-year holding period.

For existing awards granted up to an including 31 December 2024, the following performance measures and weightings apply.

Performance Measures	Performance Period	2022-24	2023-25	2024-26
		PSP Award	PSP Award	PSP Award
		1 Jan 2022 to 31 Dec 2024	1 Jan 2023 to 31 Dec 2025	1 Jan 2024 to 31 Dec 2026
Revenue		25%	25%	30%
Free Cash Flow		25%	25%	
Return on Invested Capital		25%	25%	30%
Total Shareholder Return		25%	25%	30%
ESG Objectives				10%

The description of the performance conditions and targets for the 2022-2024 PSP (that vested in March 2024) and each outstanding PSP award is shown below.

Metric	Description		Performance Conditions		
			2022-24 PSP Award	2023-25 PSP Award	2024-26 PSP Award
Revenue	The cumulative global revenue over the three year performance period on constant foreign exchange rates and adjusted for any Board approved M&A.	Threshold	\$15,983m		
		Target	\$16,782m	Commercially Sensitive ¹	Commercially Sensitive ¹
		Maximum	\$17,621m		
Free Cash Flow	The cumulative free cash flow over the three year performance period on constant foreign exchange rates and adjusted for any Board approved M&A.	Threshold	\$1,535m		n/a
		Target	\$1,913m	Commercially Sensitive ¹	n/a
		Maximum	\$2,104m		n/a
Return on Invested Capital	The return earned on the total capital invested defined as: $\frac{\text{Operating profit}^1 \text{ less adjusted taxes}^2}{(\text{Opening net operating assets} + \text{closing net operating assets})^3 \div \text{closing net operating assets})^3 \div 2}$	Threshold	8.0%	8.5%	8.5%
		Target	9.0%	9.5%	9.5%
		Maximum	10.5%	10.5%	10.5%

1 It is not possible to disclose precise targets for this measure at the current time as this will give commercially sensitive information to our competitors concerning our business plans and is considered to be potentially price-sensitive information. The targets will be disclosed retrospectively in the Annual Report following the end of the relevant performance period.

Performance Share Plan (PSP) continued		Performance Conditions				
Metric	Description		2022-24 PSP Award	2023-25 PSP Award	2024-26 PSP Award	
Total Shareholder Return	Total shareholder return relative to two equally weighted comparator groups.	Threshold	Index Return	Index Return	Index Return	
	1 FTSE 100 companies, excluding financial services, commodities (basic materials and oil and gas). From the 2024-26 PSP, food retail and utility companies were also excluded.					
	2 A sector peer group based on the S&P Global 1200 Healthcare subset comprising medical devices, equipment and supplies companies ¹ . From the 2024-26 PSP the S&P 1200 comparator group was replaced with a specific MedTech industry peer group consisting of the following companies:					
	Alcon Inc.	GE HealthCare Tech Inc.	Index Return +8%	Index Return +8%	Index Return +8%	
	Bausch + Lomb Corp.	Globus Medical Inc.				
	Baxter International Inc.	Hologic Inc.				
	Becton Dickinson & Co	Insulet Corp.				
	bioMerieux SA	Integer Holdings Corp.				
	Carl Zeiss Meditec AG Corp.	Integra Lifesciences Hold.				
	Coloplast A/S	Intuitive Surgical Inc.				
	ConvaTec Group Plc	Koninklijke Philips NV				
	Demand A/S	Resmed Inc.				
	Dentsply Sirona Inc	Sonova Holding AG				
	DiaSorin SpA	Steris Plc				
	Edwards Lifesciences Corp	Straumann Holding AG				
	Elekta AB	Stryker Corp.				
	Enovis Corp.	The Cooper Companies Inc.				
	Envista Holdings Corp.	Zimmer Biomet Holdings Inc.				
ESG Objectives	Consists of two equally weighted measures linked to our sustainability agenda in relation to our transition to net zero, and an increase in female people leader representation.					
	Reduction in Scope 1 and Scope 2 GHG Emissions (relative to a 2019 baseline)	Threshold		n/a	n/a	70%
		Target		n/a	n/a	72%
		Maximum		n/a	n/a	75%
	Female people leader representation	Threshold	n/a	n/a	35%	
		Target	n/a	n/a	35.5%	
	Maximum	n/a	n/a	36%		

1 Official industry classification of "Health Care Equipment and Supplies, Life Sciences Tools & Services and Health Care Technology".

Performance Share Plan (PSP) continued

2022-24 PSP Award

The three year performance period of the 2022-2024 PSP award ended on 31 December 2024. The performance measures, targets, weightings and achievement against the performance conditions are shown below.

Performance Measure	Performance Range Against Targets ¹				% of Target vesting	Weighting	Weighted Vested Outcome (%)
	Threshold (25% vesting)	Target (50% vesting)	Maximum (100% vesting)				
Cumulative Revenue	Target	\$15,983m	\$16,782m	\$17,621m			
	Actual		\$17,229		153.3% x	25% =	38.3%
Cumulative Free Cash Flow	Target	\$1,530m	\$1,913m	\$2,104m			
	Actual	\$757			0% x	25% =	0%
Return on Invested Capital	Target	8.0%	9.0%	10.5%			
	Actual	6.7%			0% x	25% =	0%
Total Shareholder Return	Index Return		Index Return +8%				
FTSE 100 Comparator Group ²	Target	7.6%		35.5%			
	Actual	-14.1%			0% x	12.5% =	0%
S&P 1200 Comparator Group ³	Target	-28.7%		-10.1%			
	Actual		-14.1%		168.2% x	12.5% =	21.0%
Total (% of Target vesting)							59.4%
Total (% of Maximum vesting)							29.7%

1 All numbers have been rounded to the nearest decimal. For the purpose of incentive calculations we are using constant currency rates.

2 FTSE 100 companies, excluding financial services, commodities (basic materials and oil and gas).

3 S&P Global 1200 Healthcare subset comprising medical devices, equipment and supplies companies (official industry classifications of 'Health Care Equipment and Supplies, Life Sciences Tools & Services and Health Care Technology').

Decision on 2022-2024 PSP Award Outcome

Smith & Nephew finished 2024 strongly and delivered solid financial results across all key performance metrics. The 2024 growth in revenue of 4.7% on a reported basis (5.3% on an underlying basis) contributed towards delivering strong cumulative revenue growth over the three year performance period of the 2022-2024 PSP award. Over 2024, the Return on Invested Capital increased by 150bps to 7.4% and Free Cash flow increased from \$129 million to \$551 million both reflecting the continued progress made under the 12-Point Plan; however, both measures fell below the required three year threshold performance level for a vesting.

As well as considering the monetary outcome of the formulaic calculation of these awards, the Committee considered whether discretion should be applied to override these formulaic outcomes and concluded that the monetary outcomes were aligned with the financial performance of the Company during the performance period and the intention of the Remuneration Policy. As a result, the Committee believes that the level of vesting for the 2022-2024 PSP award at 29.7% of maximum is appropriate.

2022-24 PSP Awards

	Shares Awarded		Shares Vesting	Shares Forfeit	Dividend Shares	Total Shares Vesting	Value of Vesting Shares at Award Price ¹ (000s)	Share Price Appreciation ² (000s)	Total Value Vesting (000s)
	(1)	(2)=(1)×29.7%	(3)	(4)=(1)-(2)	(4)	(5)=(2)+(4)	(6)	(7)	(8)=(6)+(7)
Executive Directors									
Deepak Nath	259,422	76,984	182,439	6,078	83,062	\$1,298,723	-\$246,329	\$1,052,397	
John Rogers ³	-	-	-	-	-	-	-	-	
Former Executive Directors									
Anne-Françoise Nesmes ^{4,5}	134,648	39,957	94,691	3,155	43,112	\$674,085 (£542,349)	-\$127,852 (-£114,937)	\$546,233 (£427,412)	

1 The 2022-24 PSP award share price was £12.58 (\$15.64), which was the share price at closing the day before the award was granted.

2 This represents the impact of the share price change between the award date and the vesting date. No discretion has been applied to the award outcome as a result of the share price movement since award.

3 John Rogers joined in December 2023 and was appointed as CFO and an Executive Director on 1 April 2024 and as such does not have a 2022-24 PSP award.

4 Anne-Françoise Nesmes was the CFO and an Executive Director up until 31 March 2024, when she stepped down from the Board and left the Company on 1 May 2024. Upon leaving, her outstanding PSP awards were pro-rated to reflect her service over the performance period. However, as the performance of the 2022-24 PSP had ended prior to her leaving, her 2022-24 PSP was not pro-rated.

5 Anne-Françoise Nesmes was based in the UK and paid in British Pounds. The figure in parenthesis represents the value in local currency.

Awards Granted

Details of share awards granted to Executive Director during 2024

	Performance Share Plan		Restricted Share Plan		Deferred Bonus Plan	
	Shares Awarded	Value at Award Price ¹ '000s	Shares Awarded	Value at Award Price ² '000s	Shares Awarded	Value at Award Price ¹ '000s
Executive Directors						
Deepak Nath	330,250	\$4,581,945	131,517	\$1,965,517	72,005	\$999,010
John Rogers ³	183,332	\$2,543,580 (£1,994,652)	–	–	–	–
Former Executive Directors						
Anne-Françoise Nesmes ^{3,4}	–	–	–	–	37,368	\$518,450 (£406,563)

1 The 2024-26 PSP award and 2024 DBP award share price was £10.88 (\$13.90).

2 The 2024 RSP award share price was £11.70 (\$14.94) and was based on the averaging share price over the 10 working days prior to the date of grant on 16 August 2024.

3 John Rogers and Anne-Françoise Nesmes were based in the UK and paid in British Pounds. The figure in parenthesis represents the value in local currency.

4 Anne-Françoise Nesmes was CFO and an Executive Director up until 31 March 2024 when she stepped down from the Board and left the Company on 1 May 2024. She was not eligible for a PSP award in 2024 but did receive an award in the Deferred Bonus Plan in respect of her bonus from the 2023 Annual Incentive Plan.

Details of outstanding share awards granted to Executive Directors

The conditional share awards granted to Executive Directors that continue to be subject to performance or vesting conditions are shown below.

	Award Type	Date of Award	Number of Shares	Date of Vesting	
Executive Directors					
Deepak Nath	PSP	16 August 2024	27,520	8 March 2027	
		8 March 2024	302,730	8 March 2027	
		9 March 2023	283,748	9 March 2026	
		20 May 2022	259,422	20 May 2025	
	Total			873,420	
	RSP ¹	16 August 2024	43,839	16 August 2025	
		16 August 2024	43,839	16 August 2026	
		16 August 2024	43,839	16 August 2027	
	Total			131,517	
	DBP	8 March 2024	72,005	8 March 2027	
9 March 2023		26,014	9 March 2026		
Total			98,019		
	Buy-Out Awards	29 April 2022	3,016	8 November 2025	
John Rogers	PSP	8 March 2024	183,332	8 March 2027	
Former Executive Directors					
Anne-Françoise Nesmes ²	PSP	9 March 2023	140,106	9 March 2026	
		20 May 2022	134,648	20 May 2025	
Total			274,754		
Total	DBP	8 March 2024	37,368	8 March 2027	
		9 March 2023	16,877	9 March 2026	
		9 March 2022	24,169	9 March 2025	
Total			78,414		

1 Following a majority shareholder vote in favour of changes to our Remuneration Policy at our AGM in May 2024, US Executive Directors are eligible to receive an annual RSP award equal to 125% of Base Salary that will vest, subject to a reasonable judgement underpin, on the first, second and third anniversaries of the award. This rateable vesting schedule is in line with US market practice for RSP awards.

2 Anne-Françoise Nesmes was CFO and an Executive Director up until 31 March 2024 when she stepped down from the Board and left the Company on 1 May 2024. Upon leaving, her outstanding PSP awards were pro-rated to reflect her service over the performance period. As a result, the number of outstanding shares shown takes this pro-rating into account.

Executive Directors interests in ordinary shares

The interests of Executive Directors who served during the year in terms of shares of the Company held as at 31 December 2024 are as follows:

	Ordinary Shares ¹	Share awards with performance conditions		Share awards without performance conditions	
		Performance Share Plan Awards ²	Buy-Out Awards ³	Deferred Bonus Plan Awards	Restricted Share Plan Awards ⁴
Executive Directors					
Deepak Nath	216,433	873,420	3,016	72,005	131,517
John Rogers	71,920	183,332	n/a	n/a	n/a
Former Executive Directors					
Anne-Françoise Nesmes	6,383	274,754	n/a	78,414	n/a

1 Ordinary shares for Deepak Nath include 4,611 American Depository Shares.

2 The PSP awards are subject to further performance conditions before they vest.

3 The buy-out awards granted to Deepak are in respect of an RSP award granted by his former employer that were bought out on a like for like basis and will vest in November 2025.

4 The RSP awards are subject to a reasonable judgement underpin before they vest.

The interests of each Executive Director shown in the table include any shares held by any connected person. The beneficial interest of each Executive Director is less than 1% of the ordinary share capital of the Company.

There have been no other changes in the interests of Executive Directors in the shares of the Company between 31 December 2024 and 13 February 2025 (the latest practicable date for inclusion in this report).

Shareholding Requirement

Executive Directors are required to establish and maintain a minimum shareholding over a reasonable period of time (expected to be around five years) recognising that incentive plan vesting and differing international tax regimes may affect the pace at which the shareholding may be met.

The adoption of the changes to our Remuneration Policy at our AGM in May 2024 resulted in the minimum shareholding requirement for a US-based CEO increasing from 300% to 500% of Base Salary. The minimum shareholding requirement for the CFO is equal to at least 200% of Base Salary.

Executive Directors are required to retain 50% of the shares (after tax) that vest under the Company's long-term incentive plans. This reduces to 30% once the minimum shareholding requirement has been met.

Where an Executive Director leaves employment for any reason, a post-cessation shareholding requirement will apply. The post-cessation minimum shareholding requirement is equal to the requirement during employment and will apply for a period of two years after cessation of employment.

	Minimum Shareholding Requirement (% of Base Salary)	Actual Shareholding (% of Base Salary)
Executive Directors		
Deepak Nath ¹	500%	267%
John Rogers ²	200%	98%
Former Executive Directors		
Anne-Françoise Nesmes ³	200%	71%

1 Deepak Nath joined on 1 April 2022 and is gradually building his shareholding.

2 John Rogers joined on 1 December 2023 and is gradually building his shareholding. He purchased 71,920 shares on 19 December 2024.

3 Anne-Françoise Nesmes left the Company on 1 May 2024 and had not achieved her minimum shareholding requirement of 200% of Base Salary at that time. The minimum shareholding requirement above represents Anne-Françoise's actual holding upon leaving and so reflects her post-cessation shareholding requirement.

Fees retained for external non-executive directorships

Executive Directors may hold an external non-executive director appointment and retain the fees paid for such a role. John Rogers served as a non-executive director of Grab Holdings Ltd (Singapore).

Annual report on remuneration continued

Payments to former directors (audited)

Anne-Françoise Nesmes ceased to be Chief Financial Officer and a member of the Board on 31 March 2024 and left the Company on 1 May 2024. Anne-Françoise continued to receive her salary, benefits and cash contribution in lieu of pension in the normal way during her employment with the Company up to 1 May 2024. She received a payment in lieu of accrued but untaken annual leave as at the termination date in accordance with the terms of her employment agreement.

Anne-Françoise received a payment under the 2023 Annual Incentive Plan as she remained employed on 31 March 2024. Outstanding Deferred Bonus Plan awards will vest in full in accordance with their original timeframes in 2025 and 2026 and (in respect of any Deferred Bonus Plan award granted in 2024 relating to the bonus from the 2023 Annual Incentive Plan) in 2027.

In respect of outstanding PSP awards granted in 2022 and 2023, these will vest in accordance with the plan rules. Unvested awards will be pro-rated up to the termination of employment and remain subject to performance assessment at the end of the relevant performance period. These awards will vest in 2024, 2025 and 2026 respectively, and each award will be released at the end of the relevant two-year post-vesting holding period. No PSP grant was or will be made in 2024.



















Anne-Françoise's incentive awards will remain subject to malus and clawback provisions and Anne-Françoise will comply with Smith+Nephew's post-employment shareholding guidelines for two years after termination.

The Company made a capped contribution of £5,000 plus VAT towards Anne-Françoise's legal fees incurred in connection with her departure. Anne-Françoise will not receive any other remuneration payment.






Payments for loss of office (audited)

There were no payments made to, or in respect of, any former Director for loss of office in 2024.

Chair and Non-Executive Directors – Single figure of remuneration (audited)

	Committee Membership	Basic Fee		Supplemental Fee		Intercontinental Travel Fee		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
000s									
Chair									
Rupert Soames ¹	 	\$575 (£450)	\$178 (£139)	–	–	\$4 (£3)	\$4 (£3)	\$579 (£453)	\$182 (£142)
Non-Executive Directors									
Simon Lowth ²	 	\$92 (£72)	–	–	–	–	–	\$92 (£72)	–
Jo Hallas	 	\$92 (£72)	\$89 (£70)	–	–	\$4 (£3)	\$4 (£3)	\$96 (£75)	\$93 (£73)
Jez Maiden ³	 	\$92 (£72)	\$27 (£21)	\$20 (£16)	–	\$4 (£3)	–	\$116 (£91)	\$27 (£21)
John Ma		\$134	\$130	–	–	\$42	\$42	\$176	\$172
Katarzyna Mazer-Hofsaess		\$92 (£72)	\$89 (£70)	–	–	\$4 (£3)	\$4 (£3)	\$96 (£75)	\$93 (£73)
Bob White	 	\$134	\$130	–	–	\$35	\$35	\$169	\$165
Marc Owen	   	\$134	\$130	\$36	\$35	\$28	\$42	\$198	\$206
Angie Risley	 	\$92 (£72)	\$89 (£70)	\$33 (£26)	\$26 (£20)	\$4 (£3)	\$4 (£3)	\$129 (£101)	\$119 (£93)
Former Chair									
Roberto Quarta ⁴		–	\$428 (£335)	–	–	–	–	–	\$428 (£335)
Former Non-Executive Directors									
Erik Engstrom ⁵		–	\$89 (£70)	–	–	–	–	–	\$89 (£70)
Rick Medlock ⁶		\$33 (£26)	\$89 (£70)	–	\$26 (£20)	–	\$4 (£3)	\$33 (£26)	\$119 (£93)

Committee key

Member of the Audit Committee  Member of the Remuneration Committee  Member of the Nomination & Governance Committee  Member of the Compliance & Culture Committee  Committee Chair 

1 Rupert Soames joined the Board on 26 April 2023, became the Chair on 15 September 2023.
2 Simon Lowth was appointed on 1 January 2024.

3 Jez Maiden was appointed on 14 September 2023.
4 Roberto Quarta stepped down from the Board on 15 September 2023.

5 Erik Engstrom stepped down from the Board on 31 December 2024.
6 Rick Medlock stepped down from the Board on 30 April 2024.

Chair Fees

The fee for the Chair of the Board is set by the Remuneration Committee. Rupert Soames' fee was set at £450,000 (\$575,100) upon joining in April 2023, after which he was appointed as Chair in September 2023.

During December 2024, the Chair's fee was reviewed by the Committee and the decision taken to apply an increase of 3.5% from 1 April 2025. This increase did not exceed the average increase applied to the broader UK workforce. While the Chair is a member of the Remuneration Committee, he did not attend the meeting while his fee was being reviewed and discussed by the Committee.

The Chair is required each year to purchase shares worth at least 25% of his post-tax annual fee.

Non-Executive Director Fees

The fee for Non-Executive Directors is periodically reviewed by the Chair of the Board and the Executive Directors. Following a review in December 2024, it was decided to increase the fees by 3.0% for Non-Executive Directors based in the US and 3.5% for those based in the UK. These increases did not exceed the average increase applicable to the broader workforce in these countries. A proportion of the fee payable to Non-Executive Directors is paid in shares.

		UK ¹		US	
		2024	2023	2024	2023
Base Fee	Cash	\$83,700 (£65,493)	\$80,514 (£63,000)	\$124,827	\$120,000
	Shares	\$8,635 (£6,757)	\$8,307 (£6,500)	\$10,173	\$9,780
	Total	\$92,336 (£72,250)	\$88,821 (£69,500)	\$135,000	\$129,780
Senior Independent Director Supplement		\$26,582 (£20,800)	\$25,560 (£20,000)	\$36,400	\$35,000
Committee Chair Supplement		\$26,582 (£20,800)	\$25,560 (£20,000)	\$36,400	\$35,000
Intercontinental Travel²		\$4,473 (£3,500)	\$4,473 (£3,500)	\$7,000	7,000

1 Non-Executive Directors based in the UK are paid in British Pounds. For the purposes of comparison, the fees have been converted into our reporting currency (US Dollars) at an exchange rate of £1 to \$1.278.

2 A fixed fee only payable when a Non-Executive Director is required to travel to attend meetings in another continent.

The interests of the Chair of the Board and Non-Executive Directors who served during the year, in terms of shares of the Company held as at 31 December 2024 or at date of separation as applicable, are as follows:

	Number of Shares
Chair	
Rupert Soames	14,384
Non-Executive Directors	
Simon Lowth ¹	300
Jo Hallas	6,190
Jez Maiden ²	1,293
John Ma	2,134
Katarzyna Mazer-Hofsaess	1,830
Rick Medlock ³	3,917
Bob White	8,376
Marc Owen	17,206
Angie Risley	5,978

1 Simon Lowth was appointed on 1 January 2024.

2 Jez Maiden was appointed on 14 September 2023.

3 Rick Medlock stepped down from the Board on 30 April 2024.

Annual report on remuneration continued

The interests of the Chair of the Board and Non-Executive Directors shown in the table include any shares held by any connected person. The beneficial interest of the Chair of the Board and each Non-Executive Director is less than 1% of the ordinary share capital of the Company.

There have been no other changes in the interests of the Chair or Non-Executive Directors in the shares of the Company between 31 December 2024 and 13 February 2025 (the latest practicable date for inclusion in this report).

Annual percentage change in directors' remuneration

The table below shows how the actual remuneration received by Executive Directors, the Chair of the Board and Non-Executives, has changed over the year ended 31 December 2024 and prior years compared to the average salary of other employees. The average salary in 2024 of UK employees increased by 5.3%, and that of US employees increased by 4.7%.

	% Change 2024/2023			% Change 2023/2022			% Change 2022/21		
	Salary /Fees	Benefits	Annual Bonus	Salary /Fees	Benefits	Annual Bonus	Salary /Fees	Benefits	Annual Bonus
Executive Directors									
Deepak Nath ¹	3.1%	144%	1.9%	39.6%	55.8%	168.5%	–	–55.5%	44.9%
John Rogers ²	100%	100%	100%	–	–	–	–	–	–
Chair									
Rupert Soames ³	219.7%	–	–	100%	–	–	–	–	–
Current Non-Executive Directors									
Simon Lowth ⁴	–	–	–	–	–	–	–	–	–
Jo Hallas	2.9%	–	–	7.8%	–	–	272.8%	–	–
Jez Maiden ⁵	339.5%	–	–	–	–	–	–	–	–
John Ma	2.3%	–	–	13.9%	–	–	32.9%	–	–
Katarzyna Mazer-Hofsaess	2.9%	–	–	0%	–	–	5.0%	–	–
Bob White	2.4%	–	–	20.5%	–	–	5.4%	–	–
Marc Owen	-4.3%	–	–	11.3%	–	–	8.2%	–	–
Angie Risley	8.5%	–	–	0%	–	–	3.9%	–	–
Former Executive Directors									
Anne-Françoise Nesmes ⁶	-74.8%	-74.7%	-100.0%	4.2%	3.6%	129.6%	4.62%	3.97%	-29.5%
Former Non-Executive Directors									
Erik Engstrom ⁷	–	–	–	0%	–	–	0%	–	–
Rick Medlock ⁸	-72.0%	–	–	0%	–	–	3.9%	–	–

1 Deepak joined on 1 April 2022, his pension was corrected in 2024, refer to page 156.

2 John Rogers was appointed Executive Director on 1 April 2024.

3 Rupert Soames joined the Board on 26 April 2023 and was paid part year.

4 Simon Lowth was appointed on 1 January 2024.

5 Jez Maiden was appointed on 14 September 2023.

6 Anne-Françoise Nesmes stepped down from the Board on 31 March 2024.

7 Erik Engstrom stepped down from the Board on 31 December 2023.

8 Rick Medlock stepped down from the Board on 30 April 2024.

Pay Comparisons

Chief Executive Officer Pay Ratio

The Committee is mindful of the relationship between the remuneration of the Chief Executive Officer and that of other employees more generally. The table below compares the single total figure of remuneration for the Chief Executive Officer to the total pay and benefits of full-time equivalent UK employees, who are ranked at the lower quartile, median and upper quartile across all UK employees.

The reporting regulations permit three different calculation methodologies for determining the pay ratio. The ratios shown in the table above have been calculated using Option A, which calculates pay for employees on the same basis as the single figure for remuneration calculated for Executive Directors. The period for which actual employee pay has been calculated is from 1 January 2024 to 31 December 2024. The single figure for remuneration for each full-time employee as at 31 December 2024 includes earned salary, annual incentive bonus payments, allowances, pension and benefits. Part-time employees have been excluded for the purpose of the calculations.

	2024 ¹	2023 ¹	2022	2021	2020	2019
Upper Quartile (75th percentile)	73:1	46:1	70:1	32:1	19:1	51:1
Median (50th percentile)	110:1	72:1	107:1	49:1	29:1	81:1
Lower Quartile (25th percentile)	156:1	102:1	160:1	71:1	42:1	116:1

1 In 2024 and 2023, the ratio was impacted by the vesting of the performance award under the 2022 buy-out award agreement made to Deepak Nath. Excluding this one-off arrangement, the median ratio would have been 95:1 for 2024 and 55:1 for 2023.

The total remuneration of our Chief Executive includes a substantial proportion of variable pay and therefore the single total figure will vary considerably depending on the level of performance against the measures driving the Annual Incentive Plan, Performance Share Plan and Restricted Share Plan.

In contrast, employees in the calculation receive a higher proportion of their remuneration in the form of fixed pay. The ratios are consistent with our market-based approach to reward, with the ratio increasing as the Chief Executive's remuneration is compared with that of more junior employees. The overall picture presented by the ratios is also consistent with our policies on pay, reward and career progression.

The table below provides information on the salary and total pay and benefits paid to employees ranked at the Lower Quartile, Median and Upper Quartile.

	2024		2023	
	Salary	Total Pay & Benefits	Salary	Total Pay & Benefits
Chief Executive Officer	\$1,560,093	\$7,812,559	\$1,512,726	\$4,658,252
Upper Quartile (75th percentile)	\$70,371	\$107,146	\$77,454	\$101,369
	(£55,064)	(£83,839)	(£60,606)	(£79,318)
Median (50th percentile)	\$66,258	\$71,001	\$51,244	\$64,627
	(£51,845)	(£55,556)	(£40,097)	(£50,569)
Lower Quartile (25th percentile)	\$50,382	\$50,123	\$45,600	\$45,600
	(£39,422)	(£39,220)	(£35,681)	(£36,39)

Note: UK employees are paid in British Pounds. For the purposes of comparison the pay and benefits have been converted into our reporting currency (US Dollars) at a exchange rate of £1 to \$1.278.

Gender Pay Ratio

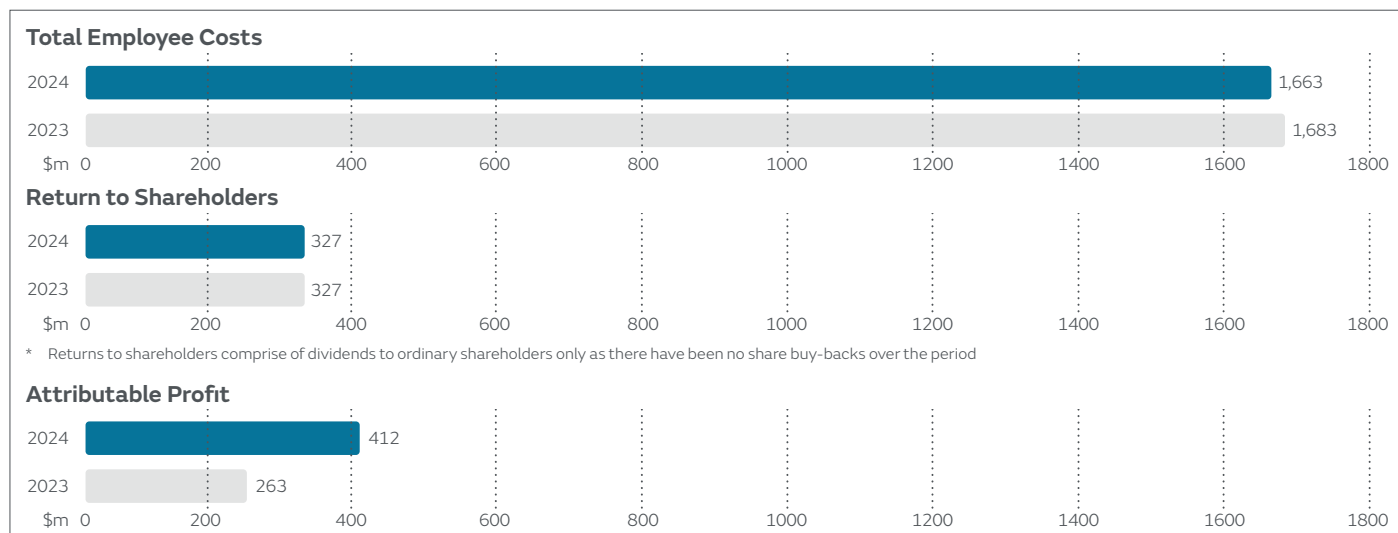
We are seeing improvements year on year. Our mean pay gap for the UK has reduced from 14% in 2023 to 13% in 2024 and our median pay gap has reduced from 14% in 2023 to 10% in 2024. Our mean bonus gap has increased from 22% to 25% and the median bonus gap has also increased from 14% to 24%; the increase in gap is mainly driven by more men in sales roles and eligible for sales incentives as compared to women, and also higher earnings in sales commissions as compared to our annual bonus payments.

We continue our efforts to review and close the gaps through consistent and unbiased global pay and incentive plans. Our internal pay practices and incentive plan designs are gender neutral and our performance management reviews are undertaken based on objective criteria.

Relative Importance of spend on Pay

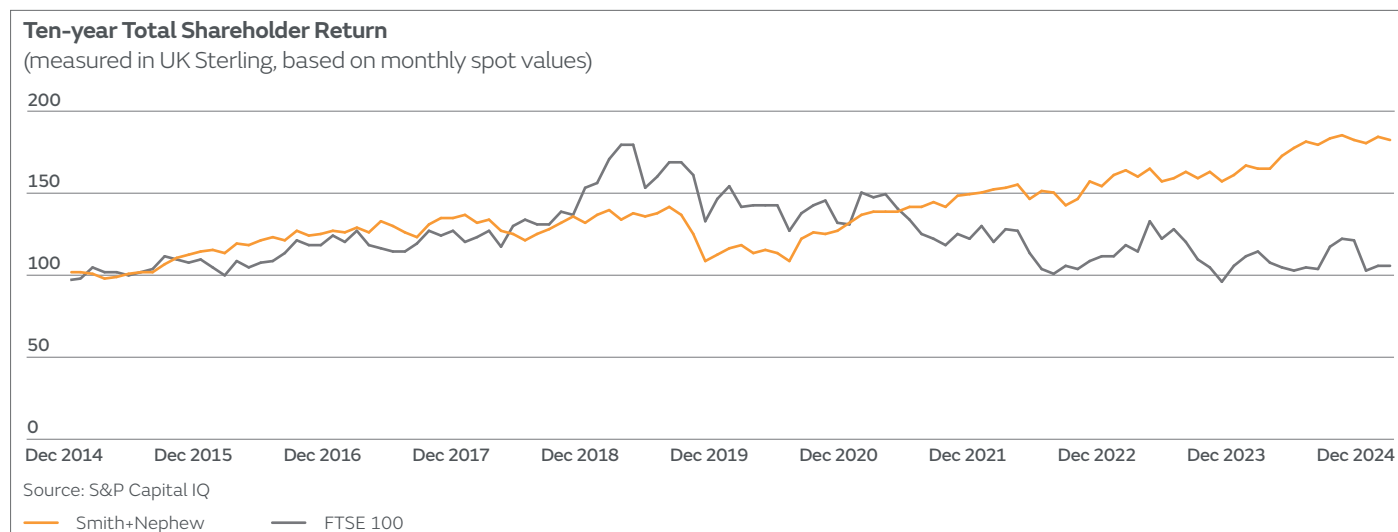
When considering remuneration arrangements for our Executive Directors and employees as a whole, the Committee also take into account the overall profitability of the Company and the amounts spent elsewhere, particularly in returning profits to shareholders in the form of dividends and share buy-backs.

The chart below shows the relative importance of spend on pay compared to returns to shareholders and trading profit.

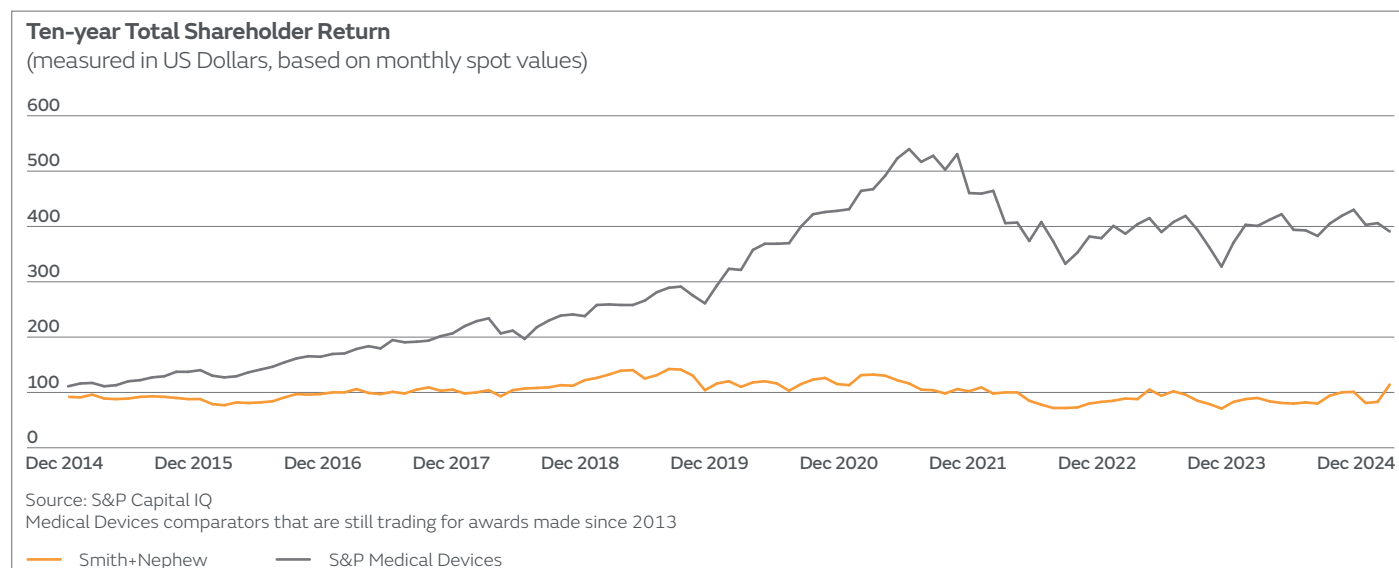


Total Shareholder Return (TSR) performance and Chief Executive Pay

The chart below shows the value as at 31 December 2024 of £100 invested in Smith+Nephew shares on 31 December 2014, compared to £100 invested in the FTSE 100 on the same date. The FTSE 100 was chosen as the comparator because it is a broad equity index of which the Company is a constituent member and reflects the investment interests of our UK shareholder base.



We also compare the Company's performance to a tailored peer group of medical device companies (see page 160), for the purposes of our long-term Performance Share Plan awards. The chart below shows the value as at 31 December 2024 of £100 invested in Smith+Nephew shares on 31 December 2014, compared to £100 invested in this peer group.



The table below details the CEO's single total figure of remuneration and incentive outcomes over the period 1 January 2015 to 31 December 2024.

\$000s	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Chief Executive's single total figure										
Deepak Nath ¹								5,955	4,658	7,813
Roland Diggelmann ²					266	1,698	3,102	603		
Namal Nawana ³				2,883	4,489					
Olivier Bohuon ⁴	5,342	3,333	5,117	2,384						
	5,342	3,333	5,117	5,267	4,755	1,698	3,102	6,558	4,658	7,813
Annual Incentive (% of maximum)										
Deepak Nath ¹								32%	61%	61%
Roland Diggelmann ²						0% ⁵	24%			
Namal Nawana ³				69%	71% ⁶					
Olivier Bohuon ⁴	75%	30%	61%	63%						
	75%	30%	61%	-	71%	0%	24%	32%	61%	61%
Long Term Incentives (% of maximum)										
Deepak Nath ¹										29.7%
Roland Diggelmann ²										
Namal Nawana ³										
Olivier Bohuon ⁴	33.5%	8%	54%	46.5%						
	33.5%	8%	54%	46.5%	-	-	-	-	-	29.7%

1 Appointed Chief Executive Officer on 1 April 2022.

2 Appointed Chief Executive Officer on 1 November 2019 and stepped down on 31 March 2022.

3 Appointed Chief Executive Officer on 7 May 2018 and resigned on 31 October 2019.

4 Retired as Chief Executive Officer on 7 May 2018.

5 Due to the impact of Covid upon the Chief Executive Officer's financial targets, a cash award of 0% was achieved.

6 Calculated as 106.7% for Namal Nawana (disclosed on page 108 of the Company's Annual Report for the year ended 31 December 2019), divided by the maximum potential payout of 150%.

Senior Management Remuneration

The Group's administrative, supervisory and management body (senior management) comprises, for US reporting purposes, Executive Directors, Non-Executive Directors, and Executive Officers. Details of the current Executive Directors, Non-Executive Directors and Executive Officers are given on pages 104-111.

Remuneration paid to senior management in respect of 2022, 2023 and 2024 was as follows:

	2024	2023	2022
Total remuneration	\$20,526,132	\$18,890,117	\$17,211,000
Total remuneration for loss of office	\$1,491,790	\$1,659,101	–
Aggregate amounts provided to supplementary pension plans	\$1,552,480	\$1,332,506	\$1,626,000

The interests of senior management who served during the year in terms of shares of the Company held as at 31 December 2024 are shown in the table below. For this purpose, senior management is defined as the Executive Directors, members of the Executive Committee, including the Company Secretary, and their connected persons (or closely associated persons).

	Ordinary Shares	American Depositary Shares	Share capital of Company
Total for all senior management	908,699	16,607	0.1%

There have been no other changes in the interests of senior management in the shares of the Company between 31 December 2024 and 13 February 2025 (the latest practicable date for inclusion in this report).

Details of share awards granted during the year to members of senior management and held as at 31 December 2024 are shown in the table below.

Awards	Share awards granted during 2024	Total share awards held as at 31 December 2024
Deferred Share Plan ¹	218,079	379,047
Restricted Share Plan ²	131,517	131,517
Performance Share Plan ¹	1,575,896	3,915,930
Conditional Awards ¹	47,797	138,654
Sign-On Awards ¹	–	–
Buy-Out Agreement ¹	–	3,016

¹ These awards are granted through the Smith+Nephew Global Share Plan 2020.

² Awards granted before 1 August 2024 were granted through the Smith+Nephew Global Share Plan 2020, all awards after this date were granted through the Smith+Nephew Restricted Share Plan 2024.

There have been no new awards or changes to awards held by senior management between 31 December 2024 and 13 February 2025 (the latest practicable date for inclusion in this report).

Implementing the Remuneration Policy for 2025

Selection of Performance Targets

Performance targets are set to be relevant, stretching and aligned to our business strategy, and we also consider how performance is delivered when determining incentive plan outcomes, with appropriate consideration given to any environmental, social and governance risks to ensure that the performance delivered is sustainable and fully aligned with our Company values and culture, malus and clawback applied to all forms of variable pay.

Annual Incentive Plan (AIP)

Financial performance targets under the AIP are set by the Remuneration Committee with reference to the budgets and business plan for the year ahead as well as anticipated market conditions, ensuring that the levels to achieve threshold, target or maximum payout are appropriately challenging.

The performance targets for 2025 are predominantly based on financial measures (85% of maximum opportunity). They include revenue (35%), trading profit margin (35%), free cash flow (15%) and strategic objectives (15%).

Commercial sensitivity precludes the advance publication of the actual targets for our financial measures, but these will be retrospectively published in our annual report on remuneration for 2025. The Committee considers the range of financial targets set for 2025 to be similarly challenging to those set in prior years. Free cash flow replaced trading cash conversion as a performance metric (compared to 2024), as the Committee believes that this measure is a more comprehensive measure and will also reward more efficient capital allocation decisions.

The strategic objectives are based on key deliverables that support our near and long-term strategy as well as our sustainability framework. Two-thirds of the strategic objectives (i.e. 10% of the bonus opportunity) will relate to the delivery of the Group's strategy and focus on maintaining and growing our business, while the remaining one-third (i.e. 5% of the bonus opportunity) will be based on our sustainability agenda, including employee engagement; and reduction in Scope 1 and Scope 2 greenhouse gas emissions.

The strategic objectives and their outcome will be disclosed in our 2025 Annual Report, while the performance targets for the ESG and sustainability goals are shown below.

ESG & Sustainability Objectives (5% of bonus opportunity)	2025 Performance Targets		
	Threshold	Target	Maximum
Improve Employee Engagement (Gartner mean)	4.24	4.27	4.30
Reduction in Scope 1 & 2 GHG emissions (relative to 2019 baseline)	70%	71%	72%

Note: Vesting will be on a straight-line basis between threshold and target and between target and maximum.

The Committee decided not to include female and ethnic representation as a specific performance metric within the AIP for 2025 as was done for 2024. The reason for this was because a lot of good work was done during 2024 to improve representation and embed processes that support greater inclusion and belonging to the extent that the Committee felt that further specific incentivisation on this was not needed. In addition, people leaders now have individual objectives based on broader inclusion and belonging goals.

Performance Share Plan (PSP)

The performance targets under the PSP are set to reflect the Company's longer-term growth objectives at a level where the maximum represents genuine outperformance. Market consensus is also considered when setting the performance range. The performance measures for the 2025 award are adjusted earnings per share (EPSA), total shareholder return (TSR), return on invested capital (ROIC) and strategic objectives linked to our ESG agenda.

Measure		2025 Performance Targets		
		Threshold	Target	Maximum
Earnings per share (30% weighting)	Adjusted EPS (EPSA) is considered a simple and clear measure of absolute growth in line with our business strategy. The EPSA targets that the Committee intends to set for the 2025-27 PSP award are:			
	EPSA	8%	10.5%	13%
	Vesting	25%	50%	100%

Note: Vesting will be on a straight-line basis between threshold and target and between target and maximum.

Performance Share Plan (PSP) continued

Measure 2025 Performance Targets

Total Shareholder Return
(30% weighting)

TSR is considered a simple and clear performance measure relative to a comparator group. For the 2025-2027 PSP award the Committee intends to measure TSR performance relative to two equally weighted comparator groups, which are the same as those adopted for the 2024-2026 PSP award granted in 2024, namely:

- The FTSE 100 excluding financial services, utilities, commodities (basic materials and oil and gas) and food retail companies; plus
- A MedTech industry peer group consisting of the following companies:

Alcon Inc.	Edwards Lifesciences Corp.	Koninklijke Philips NV
Bausch + Lomb Corp.	Elekta AB	Resmed Inc.
Baxter International Inc.	Enovis Corp.	Sonova Holding AG
Becton Dickinson & Co	Envista Holdings Corp.	Steris Plc
bioMerieux SA	GE HealthCare Tech Inc.	Straumann Holding AG
Carl Zeiss Meditec AG	Globus Medical Inc.	Stryker Corp.
Coloplast A/S	Hologic Inc.	Teleflex Inc.
ConvaTec Group Plc	Insulet Corp.	The Cooper Companies Inc.
Demand A/S	Integer Holdings Corp.	Zimmer Biomet Holdings Inc.
Dentsply Sirona Inc	Integra Lifesciences Hold. Corp.	
DiaSorin SpA	Intuitive Surgical Inc.	

Index	Weighting	Threshold	Maximum
FTSE 100 Peer Group	50%	Equal to Index	8% Above Index
MedTech Peer Group	50%	Equal to Index	8% Above Index

Note: Vesting will be on a straight-line basis between threshold and maximum.

Return on Invested Capital
(30% weighting)

Return on invested capital aligns with our focus to ensure we return value on investments for our shareholders. The targets that the Committee intends to set for the 2025-2027 PSP award are:

	Threshold	Target	Maximum
ROIC	9%	10%	11%
Vesting	25%	50%	100%

Note: Vesting will be on a straight-line basis between threshold and target and between target and maximum.

Strategic Objectives
(10% weighting)

The strategic objectives consist of metrics related to our ESG and sustainability framework, namely a reduction in our environmental impact (Scope 1 and Scope 2 Greenhouse Gas emissions relative to a 2019 baseline). The targets that the Committee intends to set for the 2025-2027 PSP award are:

	Weighting	Threshold	Target	Maximum
Scope 1 and Scope 2 GHG	50%	72%	74%	76%
Vesting		25%	50%	100%

Note: Vesting will be on a straight-line basis between threshold and target and between target and maximum.

The Committee decided not to include female and ethnic representation as a specific performance metric within the PSP for 2025-27 as was done for 2024-26 as good progress was made in 2024 to improve representation and embed processes that support greater inclusion and belonging to the extent that the Committee felt that further incentivisation beyond 2026 was not needed.

Restricted Share Plan (RSP)

The conditions attached to RSP awards relate to continued employment and good standing. In addition, for US Executive Directors, the award vesting is subject to a reasonable judgement underpin. If the Remuneration Committee is not satisfied that the underpin has been met, the Committee may scale back the vesting (including to zero). In assessing the underpin, the Committee will consider the following:

- A review of overall financial performance over the vesting period;
- Whether there have been any sanctions or fines issued by a regulatory authority;
- Whether there have been any material environmental, social or governance issues;
- Whether a major safety incident has occurred; and
- Whether there has been material damage to the reputation of the Company.

Discretion and Judgement

The Committee retains the flexibility to apply discretion and judgement to ensure fair outcomes, as no remuneration policy or framework, however well-designed, can anticipate every situation.

The Committee can exercise discretion in several areas when administering the Company's incentive plans, in accordance with the relevant plan rules. These include, but are not limited to:

- Selection of participants.
- The size of awards each year (subject to the limits outlined in the Remuneration Policy).
- The level of payments, or vesting, based on achievement of the relevant performance conditions.
- Determining individuals as good or ordinary leavers and the treatment of outstanding awards (in line with plan rules and Remuneration Policy).
- Managing outstanding awards and evaluating performance in the event of a change of control.

Additionally, if circumstances arise that lead the Committee to believe that a performance condition is no longer appropriate, they may substitute, adjust, or waive the condition to ensure a fairer evaluation of performance.

Malus and Clawback

The Board has a clawback policy which provides for the recovery of certain incentive-based remuneration from current and former Executive Directors and Executive Officers of the Company in the event the Company is required to restate its financial statements filed with the SEC in order to correct an error that is material to its financial statements. This policy is in addition to the rights granted to the SEC under applicable legislation and the malus and clawback provisions set forth in the Company's incentive plan rules.

Under the Company's incentive plan rules, malus and clawback may be applied to AIP, DBP, PSP and RSP awards in certain circumstances including:

- Cases of fraud, negligence or gross misconduct by the Executive Director;
- Material financial misstatement in the audited financial results;
- Error in calculation; or
- Other exceptional circumstances at the Committee's discretion.

Cash bonuses will be subject to clawback, with deferred shares being subject to malus, over the deferral period. PSP and RSP awards will be subject to malus over the vesting period and clawback from the vesting date to the third anniversary of the relevant vesting date.

Directors' Report disclosures

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Share Capital

The principal trading market for the ordinary shares is the London Stock Exchange. The ordinary shares were listed on the New York Stock Exchange on 16 November 1999, trading in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs). From 14 October 2014, each ADS has represented two ordinary shares, before which time one ADS represented five ordinary shares. The ADS facility is sponsored by J.P. Morgan Chase Bank N.A. acting as depositary. All the ordinary shares, including those held by Directors and Executive Officers, rank pari passu with each other. On 23 January 2006, the ordinary shares of 122/9p were redenominated as ordinary shares of US 20 cents (following approval by shareholders at the Extraordinary General Meeting in December 2005). The US Dollar ordinary shares carry the same rights as the previous ordinary shares. The share price continues to be quoted in Sterling. In 2006, the Company issued £50,000 of shares in Sterling in order to comply with English law. These were issued as deferred shares, which are not listed on any stock exchange. They have extremely limited rights and therefore effectively have no value. These shares are held by the Company Secretary, although the Board reserves the right to transfer them to a member of the Board should it so wish.

The Company's ordinary shares may be held in certificated or uncertificated form. No holder of the Company's shares will be required to make additional contributions of capital in respect of the Company's shares in the future. In accordance with English law, the Company's ordinary shares rank equally.

Articles of Association

The following summarises certain material rights of holders of the Company's ordinary shares under the material provisions of the Company's Articles of Association, being those which were adopted at the 2021 Annual General Meeting and English law.

This summary is qualified in its entirety by reference to the Companies Act and the Company's Articles of Association.

In the following description, a 'shareholder' is the person registered in the Company's register of members as the holder of an ordinary share.

Rights attaching to ordinary shares

Under English law, dividends are payable on the Company's ordinary shares only out of profits available for distribution, as determined in accordance with accounting principles generally accepted in the UK and by the Companies Act 2006. Holders of the Company's ordinary shares are entitled to receive final dividends as may be declared by the Directors and approved by the shareholders in a General Meeting, rateable according to the amounts paid up on such shares, provided that the dividend cannot exceed the amount recommended by the Directors.

The Company's Board of Directors may declare such interim dividends as appear to them to be justified by the Company's financial position.

If authorised by an ordinary resolution of the shareholders, the Board may also make a direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of the Company).

Any dividend unclaimed after 12 years from the date the dividend was declared, or became due for payment, will be forfeited and will revert to the Company. Provided that during this 12-year period, at least three dividends whether interim or final on or in respect of the share in question have become payable, and provided further the Company has taken steps which the Board considers reasonable during this 12-year period to trace the shareholder (including, if appropriate, engaging a professional tracing agent) and has sent notice of the Board's intention to sell the shares, the Board can sell the shares and use such proceeds for any purpose that the Board thinks fit.

There were no material modifications to the rights of shareholders under the Company's Articles of Association during 2024.

Voting rights of ordinary shares

The Company's Articles of Association provide that voting at any General Meeting of shareholders is by a show of hands unless a poll, which is a written vote, is duly demanded and held. On a show of hands, every shareholder who is present in person at a General Meeting has one vote regardless of the number of shares held. On a poll, every shareholder who is present in person or by proxy has one vote for each ordinary share held by that shareholder. A poll may be demanded by any of the following:

- The Chair of the meeting;
- At least five shareholders present or by proxy entitled to vote on the resolution;
- Any shareholder or shareholders representing in the aggregate not less than one-tenth of the total voting rights of all shareholders entitled to vote on the resolution; or
- Any shareholder or shareholders holding shares conferring a right to vote on the resolution on which there have been paid-up sums in aggregate equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A Form of Proxy will be treated as giving the proxy the authority to demand a poll, or to join others in demanding one, as above.

It is the Company's usual practice to vote by poll at Annual General Meetings.

The necessary quorum for a General Meeting is two shareholders present in person or by proxy carrying the right to vote upon the business to be transacted.

Matters are transacted at General Meetings of the Company by the processing and passing of resolutions of which there are two kinds: ordinary and special resolutions:

Ordinary resolutions include resolutions for the re-election of Directors, the approval of financial statements, the declaration of dividends (other than interim dividends), the appointment and re-appointment of auditors or the grant of authority to allot shares. An ordinary resolution requires the affirmative vote of a majority of the votes of those persons voting at the meetings at which there is a quorum.

Special resolutions include resolutions amending the Company's Articles of Association, dis-applying statutory pre-emption rights or changing the Company's name; modifying the rights of any class of the Company's shares at a meeting of the holders of such class or relating to certain matters concerning the Company's winding-up. A special resolution requires the affirmative vote of not less than three-quarters of the votes of the persons voting at the meeting at which there is a quorum.

Annual General Meetings must be convened upon advance written notice of 21 days. Other General Meetings must be convened upon advance written notice of at least 14 clear days. The days of delivery or receipt of notice are not included. The notice must specify the nature of the business to be transacted. Meetings are convened by the Board. Members with 5% of the ordinary share capital of the Company may requisition the Board to convene a meeting. Any two members may call a General Meeting in order to appoint one or more additional Directors in the event that there are insufficient Directors to be able to call a General Meeting, or where they are unwilling to do so.

Variation of rights

If, at any time, the Company's share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act, with the consent in writing of holders of three-quarters in nominal value of the issued shares of that class or upon the adoption of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate meeting, all the provisions of the Articles of Association relating to proceedings at a General Meeting apply, except that the quorum is to be the number of persons (which must be two or more) who hold or represent by proxy not less than one-third in nominal value of the issued shares of the class, and at any such meeting a poll may be demanded in writing by any person or their proxy who hold shares of that class. Where a person is present by proxy or proxies, he or she is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights.

Directors' Report disclosures continued

Rights in a winding-up

Except as the Company's shareholders have agreed or may otherwise agree, upon the Company's winding-up, the balance of assets available for distribution:

- After the payment of all creditors including certain preferential creditors, whether statutorily preferred creditors or normal creditors;
- Subject to any special rights attaching to any other class of shares; and
- Is to be distributed among the holders of ordinary shares according to the amounts paid-up on the shares held by them. This distribution is generally to be made in US Dollars. A liquidator may, however, upon the adoption of any extraordinary resolution of the shareholders and any other sanction required by law, divide among the shareholders the whole or any part of the Company's assets in kind.

Limitations on voting and shareholding

There are no limitations imposed by English law or the Company's Articles of Association on the right of non-residents or foreign persons to hold or vote the Company's ordinary shares or ADSs, other than the limitations that would generally apply to all of the Company's shareholders.

Transfers of shares

The Board may refuse to register the transfer of shares held in certificated form which:

- Are not fully paid (provided that it shall not exercise this discretion in such a way as to prevent stock market dealings in the shares of that class from taking place on an open and proper basis);
- Are not duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty, lodged at the Transfer Office or at such other place as the Board may appoint and (save in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his or her behalf, the authority of that person so to do;
- Are in respect of more than one class of shares; or are in favour of more than four transferees.

Deferred shares

Following the re-denomination of share capital on 23 January 2006, the ordinary shares' nominal value became 20 US cents each. There were no changes to the rights or obligations of the ordinary shares. In order to comply with the Companies Act 2006, a new class of Sterling shares was created - deferred shares - of which 50,000 shares of £1 each were issued and allotted in 2006 as fully paid to the Chief Executive Officer. These shares were subsequently transferred and are now held by the Company Secretary, although the Board reserves the right to transfer them to a member of the Board should it so wish. These deferred shares have no voting or dividend rights and on winding-up are only entitled to repayment at nominal value only if all ordinary shareholders have received the nominal value of their shares plus an additional US\$1,000 each.

Amendments to the Company's Articles of Association

The Company does not have any special rules about amendments to its Articles of Association beyond those imposed by law.

Shareholdings

As at 13 February 2025, to the knowledge of the Group, there were 10,973 registered holders of ordinary shares, of whom 87 had registered addresses in the US and held a total of 159,471 ordinary shares (0.02% of the total issued). Because certain ordinary shares are registered in the names of nominees, the number of shareholders with registered addresses in the US is not representative of the number of beneficial owners of ordinary shares resident in the US.

As at 13 February 2025, 36,428,537 ADSs equivalent to 72,857,074 ordinary shares or approximately 8.3% of the total ordinary shares in issue, were outstanding and were held by 88 registered ADS holders.

Major shareholders

As far as is known to Smith+Nephew, the Group is not directly or indirectly owned or controlled by another corporation or by any government and the Group has not entered into arrangements, the operation of which may at a subsequent date result in a change in control of the Group.

As at 13 February 2025, the Company is not aware of any person who has a significant direct or indirect holding of securities in the Company, as defined in the Disclosure and Transparency Rules (DTRs) of the Financial Conduct Authority (FCA), other than as shown below, and is not aware of any persons holding securities which may control the Company. There are no securities in issue which have special rights as to the control of the Company.

As at 31 December 2024 the Company had received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 of the following interests in the voting rights of the Company. There were no new notifications between 31 December 2024 and 13 February 2025.

Shareholder	As at	As at
	13 February 2025	31 December 2024
	% of voting rights over ordinary shares of US20¢ each	% of voting rights over ordinary shares of US20¢ each
Blackrock, Inc.	6.44	6.44
Cevian Capital II GP Limited	5.02	5.02
Norges Bank	3.05	3.05

Purchase of ordinary shares on behalf of the Company

At the AGM, the Company will be seeking a renewal of its current permission from shareholders to purchase up to 10% of its own shares. The Company did not purchase any shares during 2024 nor during the period to 13 February 2025.

Suppliers' payment policy

Terms of payment are agreed with individual suppliers prior to supply. The Group aims to pay its creditors promptly, in accordance with terms agreed for payment. Further information can be obtained from the government payment practice reporting portal.

Charitable and political donations

The Group made no political donations during the year (2023: \$nil). Details of charitable donations can be found on page 99.

Directors

The Directors of the Company who served during the financial year ended 31 December 2024 were as follows: Rupert Soames, Deepak Nath, John Rogers, Marc Owen, Jo Hallas, John Ma, Katarzyna Mazur-Hofsmaess, Angie Riskey, Bob White, Jez Maiden and Simon Lowth. Anne-Françoise Nesmes and Rick Medlock served as Directors until their resignation on 31 March 2024 and 1 May 2024 respectively. Details of the Directors' interests in the Company's shares can be found on pages 163 and 165.

Under the Company's Articles of Association, a Director may not vote in respect of any contract, arrangement, transaction or proposal in which he or she, or any person connected with him or her, has any interest which is to his or her knowledge a material interest other than by virtue of his interests in securities of, or otherwise in or through, the Company. This is subject to certain exceptions relating to proposals: (a) indemnifying him in respect of obligations incurred on behalf of the Company; (b) indemnifying a third party in respect of obligations of the Company for which the Director has assumed responsibility under an indemnity or guarantee; (c) relating to an offer of securities in which he will be interested as an underwriter; (d) concerning another body corporate in which the Director is beneficially interested in less than 1% of the issued shares of any class of shares of such a body corporate; (e) relating to an employee benefit in which the Director will share equally with other employees; and (f) relating to any insurance that the Company is empowered to purchase for the benefit of Directors of the Company in respect of actions undertaken as Directors (and/or officers) of the Company.

A Director shall not vote or be counted in any quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote. The Board is empowered to exercise all the powers of the Company to borrow money, subject to the limitation that the aggregate amount of all monies borrowed after deducting cash and current asset investments by the Company and its subsidiaries shall not exceed the sum of \$8,500,000,000.

Any Director who has been appointed by the Board since the previous Annual General Meeting of shareholders, either to fill a casual vacancy or as an additional Director, holds office only until the conclusion of the next Annual General Meeting (notice of which was given after his or her appointment) and then shall be eligible for re-election by the shareholders. The Company's Articles of Association provide that all Directors are subject to annual re-election in accordance with the UK Corporate Governance Code.

If not re-appointed, a Director retiring at a meeting shall retain office until the meeting appoints someone in his or her place, or if it does not do so, until the conclusion of the meeting.

The Directors are subject to removal with or without cause by the Board or the shareholders. Directors are not required to hold any shares of the Company by way of qualification. Under the Company's Articles of Association and English law, a Director may be indemnified out of the assets of the Company against liabilities he or she may sustain or incur in the execution of his or her duties.

Directors' Indemnities

The Company maintained appropriate insurance to cover Directors' and Officers' liability for itself and its subsidiaries and such insurance was in force for the whole of the year ended 31 December 2024.

The Company also indemnifies the Directors under deeds of indemnity for the purposes of section 236 of the Companies Act 2006. Such indemnities contain provisions that are permitted by the Director liability provisions of the companies Act 2006 and the Company's Articles of Association.

Significant contracts

The only significant contracts to which the Company is a party that take effect, alter or terminate upon a change of control are the \$625m of outstanding private placement notes due between January 2026 and March 2034 and the Revolving Credit Facility dated 20 October 2023, which contain customary prepayment, cancellation and default provisions including repayment of principal and interest on a change of control.

Disclosure of information to auditor

So far as the Directors are aware, there is no relevant audit information of which the auditor is unaware; and the Directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Corporate Governance Statement

A statement confirming compliance with the UK Corporate Governance Code is set on page 103. The 2018 Code can be found at www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/

Cautionary statement

The review of the business and its future development in the Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward-looking statements which are made by the Directors in good faith based on information available to them at the time of the approval of these reports and should be treated with caution due to the inherent uncertainties associated with such statements. The Directors, in preparing the Strategic Report, have complied with s417 of the Companies Act 2006.



Helen Barraclough
 Company Secretary