Code of Ethics for Senior Finance Officers

Background

As required by sections 406 and 407 of the Sarbanes-Oxley Act of 2002 ("Act"), the Company has published on its corporate website a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions ("Code"). The location of the Code is also disclosed in the Annual Report. The Company is required to promptly disclose amendments to, and waivers from, the Code relating to any of the above officers.

Definition of "Code of Ethics"

Section 406 of the Act defines the term "code of ethics" as written standards that are reasonably designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files with, or submits to, the Commission and in other public communications made by the registrant;
- Compliance with applicable governmental laws, rules and regulations;
- Prompt internal reporting to an appropriate person or persons identified in the code of violations of the code; and
- Accountability for adherence to the code.

Code of Ethics for Senior Financial Officers ("Code")

This Code is applicable to the following senior financial officers employed within the Smith+Nephew Group:

1) CFO.
2) SVPs and VPs of Finance and their direct reports.
3) Regional and Cluster Finance Business Partners.
4) Financial Controllers including those at manufacturing units.
5) All finance staff at Group Head Office.

Responsibilities

Senior financial officers are responsible for:

1) The maintenance of internal financial controls.
2) Safeguarding the Group's tangible and intangible assets.
3) The prevention of fraud.
4) Maintaining proper books and records and ensuring that IT systems are robust enough to handle transaction volumes.
5) Timely and accurate reporting of financial information to the Group in accordance with IFRS and in compliance with the Group Finance Manual.
6) The integrity of forecasts.
7) Compliance with national law and regulations, including preparation and filing of legal entity accounts and tax returns.

Ethical Conduct

1) Financial staff are expected to act in an honest and ethical manner and to adhere to the Group's Management Principles and Ethical Standards.
2) Dishonest behaviour (including fraud, theft, defalcation and bribery) shall be reported immediately to the relevant Business Unit or Functional Area President who in turn will inform the CEO, CFO and Head of Internal Audit.
3) Breakdowns in internal financial controls shall be reported immediately to the relevant VP or SVP Finance who in turn will inform the CFO.
4) If financial staff have concerns or complaints relating to the conduct of accounting, financial reporting, internal financial controls, auditing matters or ethical conduct they should be communicated to the Company Secretary of Smith & Nephew plc, who shall present the complaint to the Audit Committee. The Group's Human Resources policies protect the employee from retaliatory disciplinary action.
5) Conflicts of interest and potential conflicts must be avoided and where they do occur reported to operational and functional superiors.
6) Financial staff must maintain complete confidentiality about the Group's affairs, including personal data on employees and information that may be sensitive to the Smith+Nephew share price.
7) Financial staff who have access to Group financial information are required to sign written declarations that they have read and are bound by the insider dealing legislation contained in the UK Criminal Justice Act 1993 and UK Market Abuse Regulation.
8) The Chair, CEO and CFO are the only authorised spokespersons for Smith+Nephew on financial matters.

Waiver

Any request for a waiver of any provision of this Code must be in writing and addressed to the Audit Committee. Any waiver of this Code will be disclosed promptly in accordance with the rules of the Securities and Exchange Commission and any other requirement then in effect.