

WHISTLEBLOWING POLICY

- Purpose:** To encourage employees to disclose any malpractice or misconduct (whistleblowing) of which they become aware and to provide protection for employees who report allegations of such malpractice or misconduct.
- Scope:** The policy applies to all employees, including full-time, part-time and temporaries, and agents, contractors, suppliers and customers of Smith & Nephew.
- Policy:** The whistleblowing policy is designed to encourage employees to report alleged malpractices or misconduct, to ensure that all allegations are thoroughly investigated and suitable action taken where necessary. Any whistleblowing employee is protected against adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct. An employee is protected even if the allegations prove to be incorrect or unsubstantiated. Employees who participate or assist in an investigation will also be protected. Every effort will be made to protect the anonymity of the whistleblower, however there may be situations where it cannot be guaranteed.

Below are some examples of business misconduct:

- A criminal offence
- The use of deception to obtain an unjust or illegal financial advantage, either for the business unit or personally
- Intentional misrepresentations directly or indirectly affecting financial statements
- A failure to comply with any legal obligations
- A miscarriage of justice
- Danger to the health and safety of any individual
- Damage to the environment
- A serious breach of fundamental internal control
- Serious non-professional or non-ethical behaviour
- The deliberate concealment of information tending to show any of the matters listed above.

PROCEDURES

Reporting: An employee who reasonably believes that inappropriate business conduct is occurring should raise the issue with his/her manager or if this is considered inappropriate the issue should be raised with his/her senior manager. If the employee is not comfortable in reporting to his/her manager or senior manager the conduct or activity should be reported to a Designated Executive listed in Appendix A. To preserve anonymity the whistleblower is not restricted to reporting the issue to a Designated Executive in their GBU. The whistleblower may report the issue to any one of the Designated Executives listed. It will be the responsibility of the Designated Executive who receives the allegation to initiate the enquiry.

All incidences of whistleblowing to a Designated Executive have to be reported to the Group Company Secretary in London who has to report the occurrence to the Chief Executive or Chairman and the Audit Committee of Smith & Nephew plc.

Investigation: Once the claim of malpractice or misconduct is made, the manager, senior manager or Designated Executive will respond to the whistleblower within 10 working days setting out the intended investigation plan. An investigation may include internal reviews, reviews by the external auditors or lawyers or some other external body.

Once the investigation is complete, the appropriate company representative will inform the whistleblower of the results of the investigation as well as any corrective steps that are being taken.

Employees who believe they are being penalised in any way for whistleblowing or who believe that there has been cover up of the action disclosed or who do not consider that they have had a satisfactory response to their disclosure should write to the Chairman of the Audit Committee with the facts. See Appendix A.

Safeguards: If requested by the whistleblower all reasonable steps will be taken to protect the anonymity of the whistleblower. However under certain circumstances to assist with the investigation the individual's identity may become known or needs to be revealed.

Disciplinary Action: If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken against the responsible individual(s) up to and including termination of employment.

Any act of retaliation or victimisation against the whistleblower will result in disciplinary action, up to and including termination of employment.

The malicious use of the whistleblowing policy will result in disciplinary action against the whistleblowing complainant, up to and including termination of employment.

**External
Disclosure:**

Whilst internal disclosure is encouraged at all times an employee may be of the view that there is an exceptionally serious issue, which warrants reporting to an external body. This disclosure must be in good faith and not for the purposes of personal gain.

Whistleblowing Policy**Designated Executives:**

Group Head Office & Group Research Centre:	Chairman Chief Executive Chief Operating Officer Finance Director Group Director, Human Resources Group Legal Officer (Memphis) Company Secretary Group Director Technology Operations Director (York)
Recon Orthopaedics:	President of Recon Orthopaedics Vice President of Human Resources Vice President of Finance Vice President of Operations GBU Compliance Officer (US)
Clinical Therapies & Trauma:	President of Clinical Therapies & Trauma Vice President of Human Resources Vice President of Finance Vice President of Operations GBU Compliance Officer (US)
Endoscopy:	President of Endoscopy Vice President of Human Resources Vice President of Finance Vice President of Operations GBU Compliance Officer (US)
Wound Management:	President of Wound Management Vice President of Human Resources Vice President of Finance Vice president of Operations GBU Compliance Officer (US)
IMU:	Group Director – Indirect Markets Human Resources Director, Indirect Markets Finance Director – Indirect Markets
Chairman of the Audit Committee:	c/o Smith & Nephew plc 15 Adam Street London, WC2N 6LA