SMITH & NEPHEW CODE OF CONDUCT AND BUSINESS PRINCIPLES

April 2015

Contents

I. BUSINESS PRINCIPLES ........................................... 3

A. Values ......................................................... 3
   Performance ........................................... 3
   Innovation ............................................... 3
   Trust ....................................................... 3

B. Stakeholders ................................................... 3
   Employees .................................................. 3
   Third Party Representatives and other service providers ............. 4
   Customers .................................................... 4
   Shareholders ................................................. 4
   Business relationships .................................... 4
   Society and community .................................... 4
   Sustainable development .................................. 4

C. Governance and Compliance ............................... 5

II. BUSINESS CONDUCT ............................................. 6

A. Interactions with Healthcare Professionals and Government Officials .......... 6
   1. General prohibition on improper payments .......................... 6
   2. Hiring relatives and other dealings .................................. 7
   3. Meetings and conferences .......................................... 7
   4. Meals .......................................................... 8
   5. Gifts and educational items ........................................ 8
   6. Arrangements ................................................... 8
   7. Needs assessment ............................................... 9
   8. Payments and records .......................................... 9
   9. Royalty arrangements .......................................... 9
  10. Grants and donations ......................................... 9
  11. Discount and rebate programmes ................................ 9
  12. Product promotion and educational materials .................. 10
  13. Product evaluations and samples ................................ 10
  14. Advice on claims and reimbursements ......................... 10
  15. Behaviour in an operating room or clinical environment .... 10
  16. Political donations and contact with government officials .... 11
  17. Private air transport ........................................ 11

B. Company Employees ........................................... 11
   1. Conduct in the workplace ...................................... 11
   2. Conflicts of interest ......................................... 12
   3. Confidential and personal information, privacy and security .... 12
   4. Computer and global information systems ....................... 13
   5. Books, records and document management ....................... 13
   6. Contract and vendor management ................................ 14

C. Corporate Matters / Marketplace ............................ 14
   1. Anti-trust and competition .................................... 14
   2. External communications ..................................... 15
   3. Securities law and insider trading ............................ 15

D. Regulatory and Quality ....................................... 15
   1. Health, safety and environment .................................. 15
   2. Regulatory matters .......................................... 16
   3. Scientific disclosures ......................................... 16
   4. International trade control ..................................... 16

E. Reporting Misconduct .......................................... 16

Appendix A: Definitions ........................................ 17
For over 150 years, we have developed advanced medical devices for healthcare professionals and their patients around the world. Our pioneering work helps patients regain their lives more quickly and fully.

We are committed to a culture of performance, innovation and trust. Integrity is the foundation on which we build our business practices. Our Company has a strong reputation for integrity and ethical conduct and our name and products are trusted everywhere around the world. Because our success is so closely related to our reputation, it is up to all of us to keep it strong. The responsibility for making sure that our customers trust us lies with every one of us, every day.

Our Code of Conduct and Business Principles which has been adopted by our board of directors, gives our basic legal and ethical principles for carrying out business, and applies both to employees and to others who act for us. It gives you the information you need so you can manage your daily activities in the expected way. Acting with integrity is more than just compliance with the law. Those who deal with us should also expect that we will meet accepted ethical standards. We should always behave ethically even in situations where the law is unclear or is still developing.

You must follow this Code and related procedures. Nothing – not making the numbers, competitiveness or direct orders from a supervisor – should ever compromise our commitment to integrity. We all count on each other to uphold these standards to make sure that we keep our reputation for integrity.

Thank you for playing your part in this shared commitment.

Sincerely,
Olivier Bohuon
INTRODUCTION

We help people regain their lives by developing and providing new and high-quality medical devices that repair and heal the human body. We do this by following our Company Values – Performance, Innovation and Trust – in our daily business life.

We are committed to the principles of integrity, honesty and professionalism. Our healthcare programmes fully respect the doctor-patient relationship. We have a culture of openness, responsibility and compliance throughout our business operations. We will also never use improper methods to influence medical practitioners and institutions to use our products. Our management is determined to make sure that we are best in class in terms of compliance in all markets in which we do business.

This Code applies everywhere we do business. To provide you with extra guidance within this Code, more detailed procedures are available on our Compliance Website. All our employees must understand and follow all relevant laws, this Code and any relevant procedures. Any Third Party Representatives who carry out business on our behalf, directly or indirectly, must understand and follow all relevant laws, this Code and the relevant procedures when carrying out that business.

In some regions, local laws, regulations or business requirements may be stricter than the policies set out in this Code. In those cases, we expect you to follow the local law, regulation or business requirement as described in the procedures.

This Code does not replace your responsibility for making good judgements and using common sense. This Code also does not describe all laws or company policies which apply or give full details on any individual law. Punishments for misconduct can be severe, including financial penalties, criminal convictions and our products not being eligible for government reimbursement or other programmes. Under many of these laws, anyone who is involved in an illegal activity can be held responsible. This means that you, customers and third parties can be prosecuted as well as our Company. We could also take disciplinary action against you including ending your employment.

This Code is part of our commitment to improve our compliance programme worldwide. Each of our business units has identified local compliance officers in each region and has set up a structure to develop and monitor programme activities. You can find more detailed information on the Compliance Website at http://compliance.smith-nephew.com. If you have any questions at any time, you may contact any of the people listed on the website.
I. BUSINESS PRINCIPLES

A. Values

Smith & Nephew helps people regain their lives by developing and providing innovative, high-quality medical device products that repair and heal the human body.

We accomplish this by incorporating our Company Values – Performance, Innovation and Trust – into all aspects of our daily business life.

Performance

Performance means being responsive to customer needs. We set clear goals and standards – and achieve them. We deliver quality and value. We drive for continuous improvement. As a result, our customers, colleagues and shareholders have confidence in our products and in us.

Innovation

We are energetic, creative, passionate – always seeking to improve. We are forward looking, anticipating customers’ needs, overcoming barriers and developing opportunities. We learn from our successes and failures. We encourage and support new ideas.

Trust

Trust is something we earn. We win it by being personable; by building close relationships with our customers, colleagues and communities; by listening to, understanding and respecting people’s needs; and by being straightforward and doing what we say. We have integrity, and an ethical, honest approach to business.

B. Stakeholders

We respect the rights of all our stakeholders and seek to build open, honest and constructive relationships.

We take account of ethical, social, environmental, legal and financial considerations in our planning and business decisions.

Employees

We aim to provide an open, challenging, productive and participative environment based on constructive relationships. We maintain good communications with employees through regular and timely Company information and consultation.

We provide clearly communicated goals and performance standards, and the training, information and authority needed to do a good job. We provide fair recognition and reward based on performance. We are committed to working with employees to develop each individual’s talents, skills and abilities. We provide encouragement to learn and progress and to participate fully in the quest for continuous improvement.

We recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed. We do not tolerate discrimination on any grounds and provide equal opportunity based on merit.

We are committed to building diversity in a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of our Company.

We are committed to providing healthy and safe working conditions for all employees. We achieve this by ensuring that health and safety and the working environment are managed as an integral part of the business, and we recognise employee involvement as a key part of that process.

We do not use any form of forced, compulsory or child labour.

We support the Universal Declaration of Human Rights of the United Nations. This means we respect the human rights, dignity and privacy of the individual and the right of employees to freedom of association, freedom of expression and the right to be heard.
Third Party Representatives and other service providers

In many regions, we rely on Third Party Representatives to do business on our behalf. They play a vital role for us and in doing so must comply with applicable laws, industry codes and this Code. We also rely on other service providers, such as suppliers, advisers and consultants. We take all reasonable steps to select service providers that are committed to compliance with the law and ethical behaviour.

We select Third Party Representatives based on their qualifications, reliability and adherence to applicable laws and our values. We take reasonable care in selecting them and do appropriate reviews from time to time. We require that they commit to adhere to the law and this Code and that they have the training and tools to do so.

We never authorise or allow a Third Party Representative or other service provider to act improperly on our behalf. We are alert to indicators that service providers are behaving improperly, including those identified on our compliance website, and we bring them to the attention of our compliance professionals.

Customers

We are committed to developing and delivering innovative, cost-effective solutions that provide real benefits to HCPs and their patients through improved treatments, ease and speed of product use, and reduced healthcare costs.

To underpin this commitment, we provide education and training support for HCPs consistent with legal requirements and maintain a significant investment in research and development.

Our products are designed to be safe and reliable for their intended use and comply with or exceed all legal and regulatory requirements, including those concerning packaging, labelling and user instructions. We aim to anticipate future standards and requirements so that the health and safety of customers and patients is enhanced.

Shareholders

We conduct our operations in accordance with generally accepted principles and rules of good governance, and specifically with the listing rules of the London and New York stock exchanges.

We aim to provide sustained, profitable growth and a superior return for our shareholders.

We provide timely, regular, reliable and clear information on our activities, structure, financial situation and performance.

Business relationships

We are committed to establishing mutually beneficial relationships with all our business partners, suppliers and other stakeholders.

We will only work with stakeholders who adhere to business principles and health, safety, social and environmental standards consistent with our own.

Society and community

We work with national and local governments and other organisations to meet our legal and civic obligations, manage our impact on the environment and contribute to the development of laws and regulations that affect our business interests.

We strive to be a good corporate citizen by being an active member of our local communities and by encouraging and supporting employees who undertake community work.

Sustainable development

We are committed to making continuous improvements to the management of our environmental, social and economic impacts, and to developing a sustainable business.

We are committed to the protection of the environment by using renewable resources wherever possible and developing manufacturing processes and products that minimise adverse effects on the environment.
C. Governance and Compliance

Independent non-executive directors form the majority of directors on the Smith & Nephew Board of directors and the Ethics and Compliance Committee of the Board.

From time to time, the Company adopts global policies and procedures which describe Code requirements in more detail. Any variation from these policies or procedures needs approval from a GBU executive and the responsible compliance officer after consulting other functional heads, as appropriate. You must have written evidence of this approval. Executive officers are responsible for ensuring that the Code is communicated to and observed by all employees.

Day-to-day responsibility is delegated to the senior management of our businesses. It is their responsibility to implement these principles, if necessary through more detailed guidance tailored to particular business or local needs and requirements, and with the assistance of the Company’s compliance professionals and other functional experts.

Compliance with these principles and the responsibility for being familiar with them rests with every employee. Employees, by taking advice where appropriate, are also expected to be familiar with all applicable laws and industry codes governing their area of business and are expected to comply with all applicable laws and industry codes that apply to the Company’s business, wherever it is conducted. Failure to follow these laws and industry codes may subject the employee to disciplinary action, up to and including termination.

All employees and other persons subject to this Code are required to report all breaches of this Code to a compliance officer or through other authorised reporting procedures.

The chief compliance officer may, depending upon the nature of the violation, report it to the Ethics and Compliance Committee of the Board. Any employee or person subject to this Code who is aware of a violation and fails to report it may face disciplinary action by the Company, subject to compliance with applicable laws.

Employees may report in confidence, and the Company will use its best efforts to maintain the anonymity of the employee making the report. The Company will not allow retaliation against any employee who, in good faith, reports a concern.

The Company will not criticise any employee for any loss of business resulting from adherence to these principles and other mandatory policies and instructions.
II. BUSINESS CONDUCT

We are honest and fair in all aspects of our business, and we expect the same in our relationships with all those with whom we do business.

A. Interactions with Healthcare Professionals and Government Officials

You must take all necessary steps to be familiar with and keep to the laws and regulations governing any contact you may have with HCPs and Government Officials.

As a medical device manufacturer, we follow the codes published by AdvaMed in the United States, Eucomed in Europe, and similar industry codes of practice in other markets. The principles in these industry codes are aimed at protecting medical decision-making from improper inducements. Industry codes provide the basis for a minimum standard that would be acceptable in the industry. As noted above, in some regions, local laws and industry codes may be more stringent. In all cases, any interactions with HCPs and Government Officials must comply with applicable laws and industry codes. Applicable laws and industry codes are generally those in the country where the HCP or Government Official resides or is licensed to practise.

If an activity involves more than one country (for example, an HCP from one country performing services in another), you should take care to comply with the requirements in both countries, to the extent they apply.

1. General prohibition on improper payments

You must not offer or make any Improper Payment (whether directly or indirectly, in cash or in kind) to any HCP, Government Official or any other person. You also must not encourage or allow others to offer or make Improper Payments.

You must not ask for or receive any Improper Payment (whether directly or indirectly, in cash or in kind) from any HCP, Government Official or any other person, or encourage or allow others to do so. Various countries have laws forbidding Improper Payments to Government Officials. Examples include the PRC Criminal Code and Anti-Unfair Competition Law, the US Foreign Corrupt Practices Act, the UK Bribery Act and other laws adopted pursuant to the OECD Convention on Combating Bribery.

- These restrictions apply whether or not an Improper Payment may be seen by some as accepted business practice in a particular country or culture. You must keep to this section of this Code in each market in which we work – even if these standards are higher than those practised by others in the market and even if this may mean giving up certain business opportunities.

- These restrictions cover even payments of small amounts to ensure or speed up the proper performance of a Government Official’s routine duties (sometimes referred to as ‘facilitating payments’). These are prohibited.

- These restrictions cover all forms of Improper Payments, whether made directly or through other people or companies acting on our behalf. You must take particular care with Third Party Representatives and other service providers. You must make sure they are approved to act for us, where approval is required. You will breach this Code if you engage or make any payment to a Third Party Representative or other service provider you know or believe is likely to make an Improper Payment that could relate to our business.

The restrictions on Improper Payments do not cover legitimate and lawful payments to HCPs for genuine business reasons, including Arrangements.
2. Hiring relatives and other dealings
You may not hire as an employee or a Third Party Representative any Immediate Family Member of an HCP or Government Official to encourage the HCP or Government Official to use or buy our products or services or to obtain or retain business. You also may not allow any individual whom you or the Company knows to have an Immediate Family Relationship with any HCP or Government Official to act as the sales or account representative for that HCP or Government Official unless you have written approval from a GBU executive in consultation with the relevant compliance officer. To request approval, you must provide all relevant information related to the qualifications and background of the candidate and the proposed position and duties.

Other than authorised transactions in connection with our business, you may not have any commercial dealings with any HCP, Government Official or an Immediate Family Member of an HCP or Government Official, unless you have written approval from a GBU executive in consultation with the relevant compliance officer.

3. Meetings and conferences
All meetings between you and HCPs relating to Company business must be professional and for a proper purpose. You may carry out sales, promotional and other business meetings with HCPs to discuss, for example, product features, sales terms or contracts.

You may make product education and training available to HCPs to help them use our products safely and effectively. These events should be carried out in clinical, educational, conference or other suitable settings, which may include a hotel or the HCP’s premises. If events involve out-of-town travel for some HCPs, we may pay for their reasonable travel and modest accommodation costs in line with all relevant laws and industry codes.

Smith & Nephew values independent, educational, scientific or policy-making conferences that promote scientific knowledge and medical advancement and help in delivering effective healthcare. This includes:

- Conferences sponsored by national, regional or specialty medical associations;
- Conferences sponsored by accredited continuing medical education providers; and
- Grand rounds and other formal meetings at which physicians discuss the clinical case of one or more patients.

The Company may support a conference and, in some countries, sponsor HCPs to go to a conference, in line with applicable laws and industry codes.

You must never invite HCPs to meetings, or pay the costs for attending meetings, to reward or improperly induce the purchase of products. You may only include participants with a legitimate professional interest in the meeting. You may not invite or pay any expenses for an HCP’s personal guest.

You may not hold meetings at venues that are lavish or extravagant for a business meeting or conference, or venues that are known principally for their entertainment facilities. It should be the meeting agenda that attracts attendees and not the associated travel, meals or location. So that you only focus on business matters, you may not provide any entertainment or recreational activities, such as theatre or sporting events (including golf, skiing and hunting), or vacation trips.

Any travel, accommodation or other expenses associated with these meetings must be properly authorised and paid for in line with laws, industry codes and Company procedures. No other expenses will be paid.
4. Meals
You may provide a meal as a courtesy while conducting business, as long as you meet the Company’s applicable limits and keep to applicable laws and industry codes. Meals must be modest in value, infrequent, not connected with an entertainment or recreational event, and provided in a setting appropriate for business discussion.

You may provide a meal only to those HCPs who actually go to the meeting. You may not provide a meal for an entire office staff if some do not go to or are not necessary participants at the meeting, or to an HCP’s personal guest. You also may not provide a meal if you are not present at the meal.

5. Gifts and educational items
You may offer gifts to HCPs or Government Officials when the gift is permissible under the applicable laws and industry codes. These gifts must be modest in value and infrequent. These gifts may include educational items that benefit patients or serve a genuine educational function.

If gifts are allowed, their fair market value is decided based on the retail value, not the cost to the Company to buy the item.

6. Arrangements
In certain circumstances, it is appropriate for us to enter into Arrangements with HCPs. Appropriate Arrangements may include:

- Consulting
- Fellowships
- Professional meetings and speaking engagements
- Teaching
- Clinical studies and publications
- License agreements
- Research, Grants and Donations

All Arrangements are based on a documented Needs Assessment. All consultants selected for an Arrangement are approved by the relevant Arrangements Committee in line with the applicable procedures. Their choice is based on the Company’s needs and the HCP’s skills and experience. It is not affected by any improper considerations, such as past, present or future sales to the chosen HCP.

Sales personnel may suggest consultants based on our needs and the HCP’s skills and expertise, but under no circumstances may sales personnel control or improperly influence any decision to provide an Arrangement to a particular HCP.

Payments for consulting services must not exceed the fair market value for the services, using information on compensation from an independent organisation (if feasible). The relevant compliance officer must review and approve the method of determining the fair market value for each GBU or geographic region. Any payments in connection with Arrangements must not be more than the approved budget for the Arrangement.

The Company may only enter into Arrangements in line with this Code and the related Company procedures. Each GBU must use all reasonable efforts to make sure that its Third Party Representatives enter into Arrangements only in line with this Code. We and our Third Party Representatives may never enter into improper financial arrangements with HCPs to reward them for buying or using a product.
7. Needs assessment
Each GBU may enter into Arrangements only in line with an approved plan and budget, which we call a Needs Assessment. The GBU compliance committee reviews the Needs Assessment at least every year. Substantive modification to the Needs Assessment may only be approved if the request is a genuine and commercially reasonable business need that was not expected at the time the Needs Assessment was approved.

8. Payments and records
All payments to HCPs or Government Officials must be authorised in advance in line with the relevant procedures. All payments we make (or which Third Party Representatives or others make on our behalf) must be accurately recorded. This must include, at the very least, details of who receives the payment and the amount and purpose of the payment. You must never falsify or disguise transactions or records. The Company should make payments by electronic funds transfer whenever possible. Payments in cash are not permitted.

9. Royalty arrangements
The Company may enter into a royalty Arrangement with an HCP for a product or service only if we expect the HCP to make, or if the HCP has made, a substantial and corresponding contribution to developing the product or service. Each GBU must set up a process to ensure it keeps records of any substantial contribution of intellectual property, whether made alone by an HCP or by a group in which the HCP is actively involved.

10. Grants and donations
The Company may make Grants or Donations for educational, charitable or humanitarian purposes in line with all applicable laws, industry codes and this codes. Grants or Donations may only be awarded after the relevant Grants and Donations Committee has approved them. The relevant Grants and Donations Committee may approve Grants or Donations for these purposes:

- Support genuine independent medical research to advance medical science or education, as long as the Grant has well-defined aims and milestones that are not linked to buying our products; or
- Charitable organisations or accredited charitable purposes, such as to support care for those in most need, patient education, public education or to sponsor events where the proceeds are aimed at charitable purposes.

Sales and marketing personnel must not be involved in the approval of Grants or Donations. Grants or Donations must not be connected with any past, present or future purchases of our products or services.

11. Discount and rebate programmes
You must not involve yourself in sales, marketing or other behaviour that breaches any applicable laws or industry codes, including those designed to prevent healthcare fraud or abuse. The law may restrict our ability to enter into certain transactions even if our motives are proper. All transactions involving discounts, rebates, trade-ins, samples, equipment rentals, upgrades and so on must be approved in line with applicable laws and Company procedures.
12. **Product promotion and educational materials**

All sales and marketing activities must be within the approved product labelling for the local market. You may only use Promotional Materials approved for use with customers in that market. Materials designed to educate patients about a disease state may also be considered Promotional Materials.

13. **Product evaluations and samples**

Under certain circumstances, you may give free products to HCPs for evaluation purposes to allow them to assess products and decide whether and when to use, order, buy or recommend products in the future. If you provide free consumable or capital products for evaluation purposes, you must do so under the terms of a formal programme developed by the GBU. Providing free products to HCPs to reward them for buying or using a product is prohibited.

14. **Advice on claims and reimbursements**

We may provide accurate and fair information to explain the coverage of possible reimbursement and health economics on our products and services to HCPs. We may also help HCPs and others achieve favourable coverage decisions and adequate reimbursement levels from those who pay government and commercial health insurance. All information and help provided by us or on our behalf must be accurate, not misleading and keep to all applicable laws.

You must not interfere with an HCP’s independent clinical decision-making. The Company may not provide coverage, reimbursement and health economics support with the aim of illegally encouraging HCPs to use, recommend or buy our products. Applicable laws and industry codes may not allow the Company to provide free services that eliminate overhead or other expenses that HCPs would otherwise have to pay as part of their business operations.

Laws may place liability on anyone who sends in a false claim or record to get a payment from the government or to keep money he or she may not be entitled to. A person or company who helps, encourages or causes someone else to make a false claim for reimbursement can also be held responsible for the false claim. You must not suggest ways of billing for services that are not medically necessary, and you may not be involved in any fraudulent practice to achieve inappropriate payments.

To protect you from mistakes in this area, no one is authorised to suggest reimbursement or claim procedures on our behalf except in line with our written instructions or guidance.

15. **Behaviour in an operating room or clinical environment**

You must complete the training we provide on being in an operating room before you enter any operating room or other clinical environment on our behalf.

You may only enter an operating room or other clinical environment with permission from an appropriate representative of the facility. At all times you should follow all applicable laws, industry codes and hospital procedures.
16. Political donations and contact with government officials

The use of any Company funds or assets for political contributions to any Government Official or politician in any form (whether in cash, property, services or use of facilities) is strictly prohibited.

It may be seen as a breach of local laws to give money or other items of value (travel expenses or entertainment, for example) to Government Officials, whether or not connected with any business purpose.

You must also use caution before contacting any elected Government Official in circumstances that could be viewed as lobbying. If in doubt, consult Company professionals before you act.

17. Private air transport

You may not transport any HCP or Government Official on a personal aircraft or private charter aircraft unless you have written approval from a GBU executive in consultation with the relevant compliance officer.

B. Company Employees

1. Conduct in the workplace

Employees must maintain a work environment in which all feel welcome and free of harassment, discrimination or other improper conduct. Smith & Nephew does not tolerate improper conduct in the workplace.

In daily work activities, you should behave with courtesy and consideration when interacting with other employees and people with whom the Company has business dealings. You should not engage in:

- Racial, religious or other stereotyping
- Derogatory jokes or gestures
- Physical or verbal conduct of a sexual, racist or defamatory nature
- Intimidating or aggressive acts
- Inappropriate humour
- Communicating or displaying offensive material in the workplace.

Breaches of this policy by any employee may be considered gross misconduct and result in disciplinary action including termination.
2. Conflicts of interest
Both at work and in your free time, nothing you do should conflict with your responsibilities to the Company. No activity at work or at home should hurt the Company’s reputation or good name. Misusing Company resources or influence is also prohibited. Even when nothing wrong is intended, the appearance of a conflict can have negative effects. It is important to consider how your actions might appear, and to avoid the perception of a conflict of interest.

As a part of the hiring process, all employees must disclose if they have an Immediate Family Member who is an HCP or Government Official. Additionally, disclose (in writing to your manager) any outside activities, financial interests or relationships that may present a conflict of interest or the appearance of one. Avoid actions or relationships that may cause potential conflicts or create the appearance of a conflict with your job or the Company’s interests. Be wary of gifts or other benefits from those seeking business with Smith & Nephew, and do not accept any item or benefit of significant value where the purpose, effect or appearance is to influence your judgement. If in doubt, consult your manager.

Do not use Company resources, intellectual property, time or facilities for personal gain – this includes office equipment, email and computer applications. Do not take for yourself personally any opportunities that the Company could have an interest in that are discovered through the use of your Company position, information or property.

Get approval from both your manager and the Chief HR Officer or delegate before accepting an officer, director or not-for-profit board positions with an outside business while you are a Company employee. Be particularly careful if the organisation has a relationship with Smith & Nephew or might expect the Company’s financial or other support. Approval is not given where the opportunity may create a conflict of interest.

3. Confidential and personal information, privacy and security
You should not disclose any of the Company’s confidential or Personal Information except where authorised in connection with the conduct of Company business. If you believe you are compelled to make a disclosure, seek guidance from the Company’s legal department. You must not use the Company’s confidential information for any kind of personal gain, either during or after your time spent working for the Company.

Confidential information includes all non-public information relating to the Company where the Company has an advantage from keeping it secret, or would be disadvantaged if it were made public.

The Company seeks vigorously to protect its intellectual property, and it is expected that you treat intellectual property as confidential information, and subject to this Code.

You should not use in your work for the Company confidential information relating to other organisations, from a source outside of the Company, if there is a reason to believe it was obtained improperly.

You must exercise caution in transmitting confidential information relating to the Company due to the open environment of electronic communication, and always do so in accordance with Company policy.

The Company is committed to protecting Personal Information. You must comply with all policies and requirements that apply to the collection, use and retention of Personal Information.

You are allowed to access or use data containing Personal Information only as required by your job function with the Company. The Company does not sell data containing Personal Information to third parties unless the Company has received specific authorisation to do so by individuals whose information is contained in the data.
4. Computer and global information systems
Internet access and other electronic communication systems (such as email, instant messaging and voicemail) greatly aid the Company’s day to day business. However, their use also raises security concerns. As a result, there are a number of precautions that must be taken to assure the integrity, confidentiality and safety of the Company’s technology and information.

Access to the Internet puts both your computer and the entire Company’s information systems at risk. You are required to use only approved tools and methods for those activities.

Although you may use Company electronic equipment for incidental personal matters, you are not guaranteed personal privacy when using the Company’s information or communication systems. Since all documents and information on those systems are the Company’s property, they are subject to review at any time. Subject to applicable law, the Company retains the right to access and monitor information and communication systems, including employee email and other electronic documents, for all proper purposes.

You may not use Company resources or communication systems for communications that:

- Contain abusive or objectionable language
- Contain information that is illegal or obscene
- Are likely to result in the loss or damage of the recipient’s work or systems
- Are defamatory
- Interfere with your work or the work of others
- Solicit employees for an unauthorised purpose

The Company has adopted additional policies relating to information security and the acceptable use of information technology.

5. Books, records and document management
The Company operates under specific accounting and reporting standards and is committed to maintaining accurate accounting records, consistent financial reports and effective internal financial control. Our accounting records and supporting documents are designed to accurately describe and reflect the true nature of our underlying transactions and conform to applicable accounting standards. The Company has an internal audit function that monitors the adequacy of internal financial controls and systems and compliance with the Company’s Group Finance Manual.

As a publicly traded Company, the Company adheres to various laws and regulations and the rules of the financial regulators and stock exchanges on which its shares are traded. Among other requirements, these call for independent oversight of corporate accounting practices, as well as heightened executive responsibility for accuracy and completeness of corporate financial reports. For additional information concerning policies and procedures relating to financial matters, please see the Group Finance Manual.

Subject to applicable laws and industry codes, you should keep active documents and records in a way that suits your daily business needs. Inactive or historical documents must be described in a records transfer list and stored in a reasonable manner intended to protect such documents from damage. Documents required to be kept for periods specified by law must not be destroyed in that period. Regular document destruction must stop immediately if you become aware of a legal request for such documents or if the legal department has requested that you preserve certain documents.

You are expected to be familiar with the specific document retention requirements of your business and location, as well as with applicable GBU procedures.
6. Contract and vendor management
You must observe the following in respect of the Company’s contractual arrangements:

• All contracts must be properly authorised and signed by the correct number of authorised signatories. The Company’s legal or Company secretary departments will advise on authorisation.
• A suitable due diligence exercise must be undertaken for each vendor that has significance to the business. This will form the basis of a selection and qualification process which in turn will seek to protect the Company’s reputation by avoiding association with disreputable counterparties.

C. Corporate Matters / Marketplace
1. Anti-trust and competition
Anti-trust and competition laws regulate, among other things, relations between competitors; distribution agreements; patent, copyright and trademark licenses; territorial restrictions on resellers and licensees; rebates and discounts to customers; and pricing policies.

These laws generally prohibit agreements between the Company and our competitors that affect prices, terms and conditions of sale or fair competition. If you are responsible for areas where such laws apply, you must be aware of them and their implications and in particular, how they apply in the country where you operate. You or the Company may not have any arrangement with a competitor to:

• Discuss any bids, bid condition, discount, promotion or pricing information
• Agree on pricing
• Rig a bid or tender
• Allocate a market, or customers, or refuse to do business with another party
• Agree with or require a distributor or customer to resell Company products at certain prices or condition how or to whom they resell our products (with some exceptions as authorised by the Company legal department)

You or the Company must not unfairly undermine the products of a competitor, and any comparisons we draw between our product and those of our competitors must be accurate and factual.

You or the Company may not use any unfair advantage over a competitor through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing. In general, you must conduct our operations in accordance with the principles of fair competition and in conformance with all applicable laws and industry codes.
2. External communications
The Company is committed to delivering accurate and reliable information to our stakeholders and members of the public, through the media, financial analysts, investors and brokers. All public disclosures, including forecasts, press releases, speeches and other communications, must be honest, accurate, timely and representative of the facts. To ensure consistent, accurate delivery of Company information, and non-disclosure of confidential information, only designated persons are authorised to answer questions from the news media, securities analysts, investors or other members of the public. When approached for information, you must record the name of the person making the enquiry and immediately notify the Company’s communications personnel.

Only designated communications personnel may authorise or issue communications for media publication on behalf of, or with attribution to, the Company.

Employees must:

• Never communicate externally about the Company’s prospects, performance or policies, or disclose inside information without appropriate authority.
• Never post any messages to any public Internet discussions such as in a chat room, blog, bulletin board or similar open public forum on the Internet in which the topic is related to the Company.
• Forward any request from the media to the relevant communications personnel.
• Forward requests from financial analysts and institutions for financial information to the Company personnel responsible for investor relations.
• Receive manager approval before accepting an invitation to speak at an external event on Company time or regarding Company business.

3. Securities law and insider trading
In the course of your work, you may learn material information about Smith & Nephew or other companies before it is made public. Using this information for your financial or other personal benefit or conveying this information to others constitutes a violation of this policy and may violate the law. This includes buying or selling the securities of any company about which you have material non-public information and giving this ‘inside information’ to anyone else who might trade on the information you have shared. If in doubt, contact the Company’s legal department or the Company secretary for advice.

D. Regulatory and Quality
1. Health, safety and environment
Good health, safety and environmental standards and practices go hand in hand with excellent business results. High standards are essential to ensure that the Company’s employees, the public and any other people affected by your work are adequately protected. Moreover, good practices contribute to business performance by protecting and developing human and physical resources and by reducing costs. The Company is committed to a safe and healthy work environment that complies with all applicable laws and industry codes. You are expected to develop a proactive, cooperative attitude toward issues of the environment, health and safety.

The Company strives to maintain fair and effective enforcement of a safe work environment to prevent injury and illness. The Company expects that you will comply with local operating procedure and safe working practices, report injuries and ill health arising from your work, take steps to prevent accidents, and in general be attentive to safety. The Company procedure concerning health, safety and environment can be found at the Company website.
2. Regulatory matters
The Company is subject to extensive government regulations. Compliance with these regulations contributes to business performance by helping to assure patient safety and enhance product performance. You must follow all Company procedures when performing job functions related to quality system management, third party manufacture of finished products, product safety, clinical investigations, control of Promotional Materials, customer complaints, adverse incidents, post-market surveillance, product recalls and advisory notices.

3. Scientific disclosures
The Company has a global practice of keeping our customers fully informed of the uses, safety, contra-indications and side effects of our products, and, where appropriate, the operational requirements and characteristics of the products. The Company provides this information through a variety of media including:

- Journal articles and supplements (both print and electronic)
- Scientific symposia
- Product information leaflets
- Mailings to HCPs
- Educational and Promotional Materials
- Presentations by service representatives
- The Internet

The information, regardless of the medium used, must be consistent with the global body of scientific knowledge available on the relevant products, be approved for use under the direction of your local regulatory affairs representative, and comply with local requirements of good medical practice and government regulation.

Articles discussing Company-sponsored studies must meet established authorship standards of the publication media, society, organisation or venue. Appropriate disclosures must be made if the author has received funding or other support from Smith & Nephew.

4. International trade control
International trade control laws are aimed at ensuring that certain countries, entities or persons, in particular those associated with terrorist activity, do not receive specific goods, services or any financial contributions.

Most countries, in particular the US and members of the EU, either prohibit or require a licence to trade internationally with some sanctioned countries. Many countries also maintain lists of prohibited persons and entities, with whom transactions may be restricted. The Company requires strict adherence to these rules, such that all transactions are screened for compliance with all applicable rules for trade with sanctioned countries and persons and prohibited end-uses.

E. Reporting Misconduct
You must report any breach of this Code that you discover, even if you are not involved. If you do not, you may be subject to disciplinary action, which could include termination. You should make a report in any of the following ways.

You can contact:

- A compliance officer or the chief compliance officer;
- The Smith & Nephew legal department; or
- Your Smith & Nephew manager, or a senior manager, who should pass on the report to compliance or legal personnel, as appropriate; or
- The Smith & Nephew human resources department

You may also visit our Compliance website to make a report via the web or for a list of phone numbers you can use to make a report. You can make reports anonymously. There may be circumstances where we would have to reveal the identity of the person making the report. In this case, we will protect that information as far as possible.

We will make sure no retaliatory action is taken against anyone who reports, in good faith, actual or suspected misconduct. Any such action would be, in itself, a breach of our policy.
Appendix A: Definitions

**Arrangements** means every arrangement or transaction entered into in connection with our business that involves, directly or indirectly, the offer or payment of anything of value to an HCP with regard to consulting services, sponsorship, donations or grants.

**Company** or **Smith & Nephew**, we, us means any company in the Smith & Nephew group.

**Donation** means any gift, whether in cash or in kind (including our products), given to a non-profit organisation and/or for charitable purposes.

**GBU** means any Global Business Unit of the Smith & Nephew group.

**Government Official** means:
- Any individual who holds a legislative, administrative or judicial position of any kind, whether appointed or elected, for a country or territory
- Any person acting in an official capacity on behalf of a government or any department, agency or instrumentality of a government;
- Any officer, employee or agent of a public international organisation such as the World Health Organization or the United Nations;
- Any officer, employee or agent of a political party or any person acting in an official capacity on behalf of a political party; and/or
- Any candidate for political office.

An employee or consultant of a government-owned hospital or institution may be considered a Government Official under some laws.

**Grant** means any payment made with respect to: (a) HCP educational programmes such as continuing medical educational activities (including speaker expenses, facility expenses and modest meals for attendees); (b) patient education and advocacy groups, disease state screening or consumer health fairs; (c) funding for medical students, residents or fellows to attend educational conferences; or (d) independent medical research with scientific merit.

**Grants and Donations Committee** means a committee authorised to consider requests for a Grant or Donation involving an HCP. A GBU may elect to use an independent third party committee or agent to perform this function on its behalf.

**Healthcare Professional** or **Healthcare Provider** or **HCP** means those individuals or entities that are in a position to purchase, lease, recommend, use, arrange for the purchase or lease of or prescribe the Company’s products or services. Examples include, but are not limited to, physicians, physician assistants, nurses, pharmacists, medical directors, investigators, researchers, account representatives employed by a customer, professional educators, hospitals, ambulatory surgical centres, group purchasing organisations, managed care organisations, insurers, employers, wholesalers and any individual employed by such entities with responsibility or authority to purchase, prescribe, recommend, influence or arrange for the purchase or sale of a Company product or service.

**Immediate Family Member** or **Immediate Family Relationship** means anyone who lives in the HCP’s or Government Official’s home or a husband, wife, child or brother, sister, parent, step-parent, step-child, step-brother, step-sister, father- or mother-in-law, son- or daughter-in-law, brother- or sister-in-law, grandparent or grandchild; and the husband or wife of a grandparent or grandchild.

**Improper Payment** means any financial payment or benefit improperly offered or made for the purpose of obtaining or retaining business or to gain any improper advantage for the person or entity making the payment for us. You should assume that a financial or other benefit to a Government Official is improper unless it is permitted or required by the applicable written law. Improper payments may include anything of value, provided overtly or covertly, in cash or in kind, including bribes, kickbacks, gifts, donations, grants, hospitality, commissions or any sales arrangement, discount, rebate or equipment loan which is not made in accordance with this Code or the procedures adopted under this Code.

**Personal Information** means information in any format, electronic or print, that could identify an employee, agent, contractor, healthcare professional, customer or patient of a customer.
**Promotional Materials** means statements or pictures of products showing any feature or characteristic or making any claim about an intended or suggested use or appropriateness for any medical condition, whether in hard copy or electronic format. Promotional Materials include labels, advertising, journal articles, reference texts, sales and marketing aids and exhibition displays.

**Third Party Representative** means any distributor, sales representative or other third party that is engaged to market or sell our products to customers, or otherwise to interact with HCPs and Government Officials on our behalf.

Copies of all related policies, procedures and guidance documents can be accessed at the Company’s Compliance website.