

## Smith & Nephew plc – AGM 11 April 2019

### Question from the UK Railways Pension Scheme

Mr Chairman,

My name is Jocelyn Brown and I am a Senior Investment Manager with RPMI Railpen, the investment arm of the UK Railways Pension Scheme. As a long-term shareholder, it is good to see the progress made since Mr Nawana joined last year, and we particularly welcome the focus he has placed on company culture.

A key driver of culture is incentives. Remuneration, particularly quantum, is a priority for our Trustee, and we note that certain executive arrangements could be seen as quite generous in the UK context. Because of our concerns, we were not able to vote in support of the remuneration report today.

While we appreciate there are diverse views on the appropriate approach to remuneration for a multinational firm such as Smith & Nephew, will the Remuneration Committee be mindful of investor sensitivity on this topic when developing a new Remuneration Policy ahead of the 2020 AGM?

#### Railpen Investments

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