

Circular to shareholders

The one hundred and first Annual General Meeting of Smiths Group plc will be held at the Northcliffe House Auditorium of the law firm, Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ on Tuesday 17 November 2015 at 10.30am.

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Adoption of financial reporting standard FRS 101:

Following the publication of FRS 100 'Application of financial reporting requirements' by the Financial Reporting Council, the Company is required to change its accounting framework for its financial statements, which is currently UK GAAP, for the financial year commencing 1 August 2015.

The Board considers that it is in the best interests of the Company to adopt FRS 101 'Reduced Disclosure Framework'. No disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 101.

Shareholders holding in aggregate 5% or more of the total allotted or issued shares in the Company may object to the use of this Reduced Disclosure Framework by writing to the Company at its registered office, 2nd Floor Cardinal Place, 80 Victoria Street, London SW1E 5JL, for the attention of the Company Secretary, by no later than 10.30am on 15 November 2015.

Notice of Annual General Meeting

Notice is hereby given that the one hundred and first Annual General Meeting of Smiths Group plc will be held at the Northcliffe House Auditorium of the law firm, Freshfields Bruckhaus Deringer LLP, 26-28 Tudor Street, London EC4Y 0BQ on Tuesday 17 November 2015 at 10.30am.

Resolutions 16 to 18 (inclusive) will be proposed as special resolutions.

All other resolutions will be proposed as ordinary resolutions.

Resolutions

1 To receive the reports of the directors and the auditors and the audited accounts for the financial year ended 31 July 2015.

2 To approve the Directors' Remuneration Policy set out on pages 95 to 102 of the Directors' Remuneration Report contained within the annual report and accounts for the financial year ended 31 July 2015, such Directors' Remuneration Policy to take effect from the date of its approval.

3 To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy referred to in Resolution 2 above) contained within the annual report and accounts for the financial year ended 31 July 2015.

4 To declare a final dividend of 28 pence per ordinary share for the financial year ended 31 July 2015 as recommended by the directors.

5 To re-elect Mr B.F.J. Angelici as a director of the Company.

6 To re-elect Sir George Buckley as a director of the Company.

7 To re-elect Ms T.D. Fratto as a director of the Company.

8 To re-elect Ms A.C. Quinn, CBE as a director of the Company.

9 To re-elect Mr W.C. Seeger as a director of the Company.

10 To re-elect Sir Kevin Tebbit, KCB, CMG as a director of the Company.

11 To elect Mr C.M. O'Shea as a director of the Company.

12 To elect Mr A. Reynolds Smith as a director of the Company.

13 To reappoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

14 To authorise the Audit Committee of the Board of directors to determine the remuneration of the auditors.

15 That the directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:

(i) up to an aggregate nominal amount of £49,380,547; and

(ii) comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further nominal amount of £49,380,547 in connection with an offer by way of a rights issue,

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the Companies Act 2006 and to expire at the end of the next Annual General Meeting or on 31 January 2017, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to be granted to subscribe for or convert any security into shares after the authority ends.

For the purposes of this Resolution 'rights issue' means an offer to:

(a) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(b) people who are holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

16 That, subject to the passing of Resolution 15 above, the directors be generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash:

(i) pursuant to the authority given by paragraph (i) of Resolution 15 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Companies Act 2006 in each case:

(a) in connection with a pre-emptive offer; and/or

(b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £14,814,164; and

(ii) pursuant to the authority given by paragraph (ii) of Resolution 15 above in connection with a rights issue, as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment;

such power to expire (unless previously renewed, varied or revoked by the Company at a general meeting) at the end of the next Annual General Meeting or on 31 January 2017, whichever is the earlier but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends and the directors may allot equity securities under any such offer or agreement as if the power had not ended.

For the purposes of this Resolution:

(a) 'rights issue' has the same meaning as in Resolution 15 above;

(b) 'pre-emptive offer' means an offer of equity securities open for acceptance for a period fixed by the directors to holders (other than the Company) on the register on a record date fixed by the directors of ordinary shares in proportion to their respective holdings but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;

(c) references to an allotment of equity securities shall include a sale of treasury shares; and

(d) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

17 That the Company be and is hereby unconditionally and generally authorised for the purpose of Section 701 of the Companies Act 2006 to make market purchases (as defined in Section 693 of the Companies Act 2006) of ordinary shares of 37.5p each in the capital of the Company on such terms and in such manner as the directors may determine provided that:

(a) the maximum number of shares which may be purchased is 39,504,437;

(b) the minimum price which may be paid for each share is 37.5p;

(c) the maximum price which may be paid for an ordinary share shall not be more than the higher of: (i) an amount equal to 105 per cent of the average middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the ordinary share is purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System ('SETS');

(d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 31 January 2017; and

(e) a contract for the purchase of shares under this authority may be made before the expiry of this authority and concluded wholly or partly after the expiry of this authority.

18 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

19 That, in accordance with Part 14 of the Companies Act 2006, the Company and every other company which is now or may become a subsidiary of the Company at any time during the period during which this resolution is in force is hereby authorised to make donations and incur expenditure under each and any of the following heads:

(a) donations to political parties or independent election candidates;

(b) donations to political organisations other than political parties; and

(c) political expenditure,

up to an aggregate amount of £50,000 and the amount authorised under each of paragraphs (a), (b) and (c) shall also be limited to such amount.

The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on 31 January 2017.

All existing authorisations and approvals relating to political donations or expenditure under Part 14 of the Companies Act 2006 are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval.

For the purpose of this resolution, the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in Sections 363 to 365 of the Companies Act 2006.

20 That the renewal of the Smiths Group Sharesave Scheme 2015 (the 'Sharesave Scheme'), the principal terms of which are summarised in the explanatory note to this resolution and as shown in the rules of the Sharesave Scheme produced to the Meeting and initialled by the Chairman for the purposes of identification, be and is hereby approved and that the directors be and are hereby authorised to do all such acts and things that they may consider appropriate to implement the Sharesave Scheme, including the making of any amendments to the rules and any establishment of any sub-plans for the benefit of employees outside the UK (modified as necessary to take account of relevant exchange control, taxation and securities laws of the relevant jurisdiction); and the directors be and are hereby authorised to vote as directors and be counted in any quorum on any matter connected with the Sharesave Scheme, notwithstanding that they may be interested in the same, save that no director may vote or be counted in the quorum on any matter solely concerning his own participation therein, and that any prohibition on directors' voting shall be suspended to this extent accordingly.

21 That the Smiths Group Long Term Incentive Plan 2015 (the 'LTIP'), the principal terms of which are summarised in the explanatory note to this resolution and as shown in the rules of the LTIP produced to the Meeting and initialled by the Chairman for the purposes of identification, be and is hereby approved and that the directors be and are hereby authorised to do all such acts and things that they may consider appropriate to implement the LTIP, including the making of any amendments to the rules and any establishment of any sub-plans for the benefit of employees outside the UK (modified as necessary to take account of relevant exchange control, taxation and securities laws of the relevant jurisdiction); and the directors be and are hereby authorised to vote as directors and be counted in any quorum on any matter connected with the LTIP, notwithstanding that they may be interested in the same, save that no director may vote or be counted in the quorum on any matter solely concerning his own participation therein, and that any prohibition on directors' voting shall be suspended to this extent accordingly.

By Order of the Board

Melanie Jane Rowlands

Company Secretary
Registered Office:
2nd Floor, Cardinal Place
80 Victoria Street
London SW1E 5JL

15 October 2015

Registered in England and Wales No. 00137013

Explanatory notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 15 and 19 to 21 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16 to 18 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Recommendation

Your directors believe that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and recommend shareholders to vote in favour of the resolutions. The directors intend to vote in favour of the resolutions in respect of their own beneficial holdings.

Resolution 1: Adoption of reports and accounts

The directors must present the reports of the directors and the accounts of the Company for the year ended 31 July 2015 to shareholders at the AGM. The reports of the directors (including the strategic report), the accounts, and the report of the Company's auditors on the accounts and on those parts of the Directors' Remuneration Report that are required to be audited are contained within the Annual Report 2015.

Resolution 2: Approval of Directors' Remuneration Policy (2015)

The Directors' Remuneration Policy (2015), which may be found on pages 95 to 102 of the Annual Report 2015, gives details of the remuneration policy being proposed by the Remuneration Committee for the executive directors, the Chairman and the non-executive directors.

Under regulations which now form part of the Companies Act 2006 (the '2006 Act'), the remuneration policy must be put to a binding shareholder vote at least once every three years. Shareholders will be invited to approve the Directors' Remuneration Policy (2015) by passing Resolution 2 at the AGM.

The reasons for the revisions to the previous policy, adopted at the 2014 AGM, are explained in the Directors' Remuneration Report in the Annual Report 2015.

If so approved, the 2015 policy will take effect at the conclusion of the meeting. Once effective, all future payments to directors, past and present, must comply with the terms of the policy, unless specifically approved by shareholders in general meeting. If Resolution 2 is not passed, the 2014 remuneration policy, approved at the AGM in 2014, will remain in force.

Resolution 3: Approval of Directors' Remuneration Report

The Directors' Remuneration Report, which may be found on pages 102 to 111 of the Annual Report 2015, gives details of your directors' remuneration for the year ended 31 July 2015. The Company's auditors, PricewaterhouseCoopers LLP, have audited those parts of the Directors' Remuneration Report that are required to be audited and their report may be found on page 126 of the Annual Report 2015.

The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and, accordingly, in compliance with the legislation, shareholders will be invited to approve the Directors' Remuneration Report. This resolution is subject to an 'advisory vote' by shareholders: in the event that the resolution is not passed, the Directors' Remuneration Policy would normally need to be reconsidered by shareholders at the next AGM. The approval of the new Directors' Remuneration Policy (per Resolution 2 above) would remain in force notwithstanding any failure to pass this Resolution.

Resolution 4: Declaration of final dividend

A final dividend can only be paid after the shareholders at a general meeting have approved it. If the final dividend is approved, it will be payable to shareholders on the register of members at 6.00pm on 23 October 2015 (the final dividend record date) and is expected to be paid to shareholders (including CREST shareholders) on 20 November 2015 by cheque or BACS (where there is an existing dividend mandate). The ex-dividend date is 22 October 2015.

Resolutions 5 to 12: Re-election and election of directors

In accordance with the UK Corporate Governance Code, all the directors, apart from Mr D.J. Challen, Mr C.M. O'Shea and Mr A. Reynolds Smith, will voluntarily retire from office at the AGM and offer themselves for re-election.

Mr O'Shea and Mr Reynolds Smith were appointed to the Board during the year and will retire in accordance with Article 49 of the Company's Articles of Association. Mr O'Shea and Mr Reynolds Smith, being eligible, will each stand for election at the AGM.

Separate resolutions will be proposed at the AGM to re-elect each of the directors standing for re-election and to elect Mr O'Shea and Mr Reynolds Smith. Detailed biographies of all the directors (apart from Mr Reynolds Smith) are included in the Annual Report 2015 and are also shown on the Company's website – www.smiths.com – where information concerning Mr Reynolds Smith can be found.

Mr Philip Bowman resigned from the Board on 24 September 2015. Mr Challen has notified the Board of his intention to retire from the Board at the conclusion of the AGM and not to seek re-election.

The Board recommends the re-election of all the non-executive directors so nominated in these resolutions because each director continues to demonstrate the skills, judgement and character which, in combination with extensive, relevant commercial experience, make each individual a valuable director of the Company and, taken collectively, they form a competent, critical and independent non-executive component of the Board.

The Chairman has confirmed that the performance of each director standing for re-election continues to be effective and that they continue to demonstrate commitment to their respective roles and make available the time necessary to perform their duties.

Resolutions 13 and 14: Reappointment and Remuneration of PricewaterhouseCoopers as auditors

The Board, on the advice of the Audit Committee, as summarised in the Audit Committee report in the Corporate governance section of the Annual Report 2015, recommends the reappointment of PricewaterhouseCoopers LLP as auditors, to hold office until the next meeting before which the accounts are laid (Resolution 13).

Resolution 14 authorises the Audit Committee of the Board of directors to determine the auditors' remuneration.

Resolution 15: Authority to allot shares

The purpose of Resolution 15 is to renew the directors' power to issue and allot new shares.

The authority in paragraph (i) will allow the directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to a nominal value of £49,380,547, which is equivalent to approximately one third of the total issued ordinary share capital of the Company as at 7 October 2015.

The authority in paragraph (ii) will allow the directors to allot new shares or to grant rights to subscribe for or convert any security into shares in the Company only in connection with a rights issue up to a further nominal value of £49,380,547 which is equivalent to approximately one third of the total issued ordinary share capital of the Company as at 7 October 2015. This is in line with corporate governance guidelines. The Board has undertaken to seek the re-election of each director annually by the shareholders, whether or not this authority were to be used.

As at 7 October 2015, the Company did not hold any shares in treasury.

There are no present plans to undertake a rights issue or to allot new shares other than in connection with the Company's share option schemes and plans. The directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities.

If the resolution is passed the authority will expire on the earlier of 31 January 2017 and the end of the AGM due to be held in 2016.

Resolution 16: Disapplication of pre-emption rights

If the directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to the shareholders, in proportion to their existing holdings.

The directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. This cannot be done under the 2006 Act unless the shareholders have first waived their pre-emption rights.

The purpose of paragraph (i) of Resolution 16 is to authorise directors to allot new shares, pursuant to the authority given by paragraph (i) of Resolution 15, or to sell treasury shares for cash: (a) in connection with a pre-emptive offer; and/or (b) otherwise up to a nominal value of £14,814,164, equivalent to approximately ten per cent of the total issued ordinary share capital of the Company as at 7 October 2015, in each case without the shares first being offered to existing shareholders in proportion to their existing holdings. The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles, as updated in March 2015, and not to allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 15 either in excess of an amount equal to 5% of the total issued ordinary share capital of the Company (excluding treasury shares) or in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period, without prior consultation with shareholders, in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The purpose of paragraph (ii) of Resolution 16 is to authorise the directors to allot new shares pursuant to the authority given by paragraph (ii) of Resolution 15, or sell treasury shares, for cash in connection with a rights issue without the shares first being offered to existing shareholders in proportion to their existing holdings. This is to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. This is in line with corporate governance guidelines.

If the resolution is passed, the authority will expire on the earlier of 31 January 2017 and the end of the AGM due to be held in 2016.

Resolution 17: Purchase of own shares

The effect of this resolution is to renew the authority granted to the Company to purchase its own ordinary shares, up to a maximum of 39,504,437 ordinary shares, until the AGM in 2016 or 31 January 2017 whichever is the earlier. This represents approximately 10% of the ordinary shares in issue as at 7 October 2015 and the Company's exercise of this authority is subject to the stated upper and lower limits on the price payable, which reflect the requirements of the Listing Rules.

Under the 2006 Act, the Company can hold shares which have been purchased as treasury shares and either resell them for cash, cancel them, either immediately or at a point in the future, or use them for the purposes of its employee share schemes.

The directors believe that it is desirable for the Company to have these choices available, as holding the purchased shares as treasury shares would give the Company the ability to re-sell or transfer them in the future and so provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on and no voting rights will be exercised in respect of treasury shares.

However, it is not the Company's present intention to hold shares in treasury, in the event that any shares were to be purchased under this authority. Shares will only be purchased if the directors consider such purchases to be in the best interests of shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company.

Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury). If any shares purchased by the Company are held in treasury and used for the purposes of its employee share schemes, the Company will count those shares towards the limits on the number of new shares which may be issued under such schemes. As at 7 October 2015, there were 4.0 million outstanding options and awards granted under all share schemes operated by the Company, which, if vested, would represent 1.01% of the issued ordinary share capital of the Company. If the authorities to purchase the Company's own shares (both existing and sought) were exercised in full, that percentage would increase to 1.26%. For the purpose of these calculations, it has been assumed that (i) all the extant options under the Sharesave and Executive Share Option schemes and all the conditional share awards under the Co-Investment Plan and Long Term Incentive Plan would vest in full and (ii) none of the extant options or awards under any of the plans would lapse prior to their applicable vesting dates. The actual number of ordinary shares that will vest in respect of awards under the Co-Investment Plan and the Long Term Incentive Plan will only be determined at their applicable vesting dates, subject to the satisfaction of the performance conditions and other requirements at those times.

With regard to the authorities sought under Resolutions 15, 16 and 17, the directors' intention would be to exercise the authorities given to them by the resolutions in accordance with the Share Capital Management Guidelines issued by the Investment Association in July 2014.

Resolution 18: Notice of general meetings

Under the 2006 Act, as amended, the notice period required for general meetings of the Company is 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice. Before the law was amended in 2009, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval.

In order to preserve this ability to call general meetings (other than an AGM) on 14 clear days' notice, Resolution 18 seeks such approval. Any exercise of this power by the Company will be conducted in accordance with any relevant corporate governance guidelines applicable at the time. In particular, the shorter notice period will only be used where flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will comply with the requirement to provide appropriate facilities for all shareholders to vote by electronic means at general meetings held on less than 21 clear days' notice.

Resolution 19: Political donations

Part 14 of the 2006 Act requires companies to obtain shareholders' authority for donations to registered political parties and other political organisations in the EU totalling more than £5,000 in any twelve month period, and for any political expenditure in the EU, subject to limited exceptions. The definition of donation in this context is very wide and extends to bodies such as those concerned with policy review, law reform and the representation of the business community. It could include special interest groups, such as those involved with the environment, which the Company and its UK subsidiaries might wish to support, even though these activities are not designed to support or influence support for a particular party.

It is the policy of the Company not to make political donations or incur political expenditure in the EU as those expressions are normally understood.

To avoid inadvertent infringement of the 2006 Act, the directors are seeking shareholders' authority for the Company and its UK subsidiaries (by virtue of the 2006 Act, the term 'subsidiary' in Resolution 19 is a reference to each UK subsidiary of the Company) to make political donations and to incur political expenditure in the EU for the period from the date of the AGM to the conclusion of next year's AGM up to a maximum aggregate amount of £50,000.

Resolution 20: Smiths Group Sharesave Scheme ('Sharesave Scheme')

Background

The Company initially adopted the Sharesave Scheme on 8 December 1982 and it has been renewed on several occasions since adoption. Shareholder approval for the Sharesave Scheme expires on 15 November 2015 and, as the Company wishes to continue operating the Sharesave Scheme, it is seeking an extension of shareholder approval at the AGM.

The Sharesave Scheme is a UK 'all employee' share option plan, which is intended to satisfy the requirements of Schedule 3 to the UK Income Tax (Earnings and Pensions) Act 2003 for tax qualified save as you earn share option plans. This will enable participants who acquire shares under the Sharesave Scheme through the exercise of share options granted to them under the Sharesave Scheme ('SAYE Options') potentially to benefit from favourable UK tax treatment. The operation of the Sharesave Scheme will be supervised by the Remuneration Committee of the Board (the 'Committee').

Eligibility

Executive Directors and other employees of any Group company that has been designated by the Board of directors of the Company as a participating subsidiary are eligible to participate in the Sharesave Scheme. Each time that the Committee decides to operate the Sharesave Scheme, it must invite all eligible employees of the Company and designated participating subsidiaries of the Company who are UK resident taxpayers (including Executive Directors) to apply for SAYE Options. The Company may require a minimum qualifying period of service (not exceeding 12 months) before an employee can participate. SAYE Options must be granted on the same terms to all eligible employees.

SAYE Contracts and SAYE Options

An eligible employee who applies for an SAYE Option must enter into a savings contract with a savings institution (a bank or building society) ('SAYE Contract') under which he or she agrees to save between £5 and £500 per month (or such other amount as may be permitted under the applicable tax legislation from time to time) over either a three or five year period (whichever the employee has chosen).

Grant of awards

The number of shares over which a SAYE Option is granted will be the number that can be acquired at the exercise price with the savings made by the participant, plus any tax free bonus payable by the savings institution on the maturity of his or her SAYE Contract.

The exercise price for the SAYE Options may not be less than 80 per cent. of (a) the market value for a share on the business day immediately preceding the day on which the invitation to apply for SAYE Options is issued; or (b) if the Committee so determines, the average of the market value for a share for the three consecutive business days immediately preceding the period of five calendar days ending with the day on which the Board of directors invites applications for the Option. The exercise price of a SAYE Option to subscribe for shares may not be less than the nominal value of a share.

Issue of invitations

Invitations may only be issued in the period of 42 days after the renewal of the Sharesave Scheme is approved, or otherwise in the 28 day period beginning on the date of notification to the London Stock Exchange of the annual or interim results of the Company.

Vesting and exercise

Ordinarily, SAYE Options will be exercisable for a period of six months following the maturity of the related SAYE Contract.

Cessation of employment

Earlier exercise of SAYE Options is permitted if a participant ceases employment by reason of death, injury, disability, redundancy, retirement or the transfer of the employee's employing business or company out of the Group. A participant will have six months within which to exercise his or her SAYE Options in these circumstances, or 12 months in the event of death.

In addition, a participant can exercise his or her SAYE Options if he or she ceases to be employed more than three years after grant (except where he or she has been summarily dismissed) for a period of six months following such cessation.

Change of control

In the event of a change of control (whether by way of a takeover offer or a scheme of arrangement or compromise) SAYE Options may generally be exercised within a period of up to six months from the occurrence of that event.

In the event of a voluntary winding up of the Company, SAYE Options will be exercisable at any time after notice is given of the General Meeting at which the resolution for the voluntary winding-up will be proposed, until the date the resolution is duly passed, defeated, or the Meeting is adjourned, whichever occurs first.

In the event of a change of control only, the acquiring company and participant may agree to replace an SAYE Option with an equivalent option over shares in the acquiring company.

Variation of share capital

In the event of a variation of the Company's share capital (whether by way of capitalisation or rights issue or sub division or consolidation of the shares or a share capital reduction), the number of shares subject to an SAYE Option and the exercise price may, subject to certain requirements, be adjusted by the Board of directors of the Company.

Transferability

SAYE Options are non-transferable, other than to a participant's personal representatives in the event of his or her death. SAYE Options will not form part of a participant's pensionable earnings.

Rights attaching to shares

Shares allotted or transferred to a participant on the exercise of an SAYE Option will rank equally with other shares then in issue (except in respect of rights arising prior to the date of exercise).

Aggregate limit

The Sharesave Scheme may operate over new issue shares, shares held in treasury or shares purchased in the market.

In any 10 year period, the number of shares which may be issued or transferred from treasury in respect of SAYE Options granted under the Sharesave Scheme and under any other employees' share plan adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.

Amendment and termination

The Board of directors may discontinue the grant of SAYE Options or amend the Sharesave Scheme at any time, provided that the prior approval of the Company's Shareholders in general meeting will be required for amendments to the advantage of eligible employees or participants relating to eligibility, limits, the basis for determining an eligible employee's entitlement to, and the terms of, the shares provided under the Sharesave Scheme. However, any amendment to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Board of directors without Shareholder approval.

Term

No SAYE Options will be granted more than 10 years after the date when the renewal of the Sharesave Scheme was approved. SAYE Options granted before that date shall remain valid in accordance with their terms and the terms of the Sharesave Scheme.

Resolution 21: Long Term Incentive Plan 2015 ('LTIP')

Background

The Remuneration Committee reviews the Company's executive long term incentive arrangements annually in order to reflect developments in best practice and in light of the Group's objectives and priorities. As a result of this review, the Committee has decided to discontinue use of the Co-Investment Plan for directors and to seek the approval of shareholders for the implementation of a new LTIP under Resolution 21 at the Meeting. The most significant changes from the previous LTIP are as follows:

- (i) amendments to the performance measures and their weightings;
- (ii) flexibility for the Committee to impose a mandatory holding period on shares allotted or transferred pursuant to an award; and
- (iii) increasing the maximum LTIP award opportunity to 400% of salary.

Further details on the proposed LTIP are set out below. If the LTIP is approved by shareholders, the first LTIP awards will be made in November or early December 2015.

Eligibility

Participation in the LTIP is at the discretion of the Committee.

The Committee intends to make grants to the Chief Executive, the Finance Director and other senior executives, all of whom have group-wide responsibilities. These grants will be subject to the performance conditions described further below.

The Committee has discretion to make grants under the LTIP to other executives including those who have executive responsibilities within the Group's five divisions (Smiths Medical, John Crane, Smiths Detection, Smiths Interconnect and Flex-Tek). Grants to divisional executives will also be subject to performance conditions that relate to performance of their divisions.

Grant of awards

Awards can be granted within six weeks of any of the following: the AGM at which the LTIP is approved by shareholders, the announcement of the Company's results for any period, or the occurrence of exceptional circumstances justifying the grant of awards (for example, on a senior executive joining the Group).

No payment is required for the grant of awards.

No invitations to participate in the LTIP may be made more than ten years following the date on which it is approved by shareholders.

Form of awards

It is expected that awards will typically be granted as conditional share awards, which entitle participants to acquire or receive shares for no or only a nominal payment.

The LTIP also provides that where an award involving real shares is not appropriate for legal, regulatory or tax reasons, a phantom award may be granted. This will deliver a cash payment equal to the net benefit a participant would have derived from the vesting or exercise of a share award. In certain circumstances, share based awards may be satisfied (in whole or in part) in cash.

Value of awards

Awards levels will be determined each year by the Committee. The Committee's intention is that annual awards will be made with a face value of 300% of base salary for the Chief Executive and 250% of base salary for the Finance Director. However, the Committee has power to make share awards up to a maximum face value of 400% of base salary if it thinks there are circumstances justifying such a grant.

Performance conditions – general

The vesting of awards granted to all participants will be dependent upon the satisfaction of stretching performance conditions that are appropriate to the strategic objectives of the Group. The Committee can set different performance conditions for awards granted in different years (in terms of the type of condition, the weighting given to that condition and the targets applicable to each condition) provided that, in the reasonable opinion of the Committee, the targets are not materially less challenging from any one award to the next.

Each performance condition will be measured over the three financial years commencing on 1 August of the year in which the award is granted (the 'Performance Period'), or such longer period as the Committee may determine.

There will be no retesting of any performance condition.

The Committee may vary the performance conditions applying to existing awards if an event occurs or there are circumstances (for example, an acquisition or disposal of a business or a significant part of a business) such that the conditions are no longer a fair measure of performance provided that, in the reasonable opinion of the Committee, the new conditions are not materially less challenging than the original conditions would have been but for the event or circumstances in question. In exercising any power to vary performance conditions the Committee will have regard to ensuring fairness between participants and shareholders.

Performance conditions – awards granted in 2015

For awards granted in 2015 to participants with group-wide responsibilities, vesting will be dependent upon four separate performance conditions: growth in earnings per share, cash conversion, group revenue growth and return on capital employed. Further detail on each of these performance conditions is set out below.

Performance conditions for participants with group-wide responsibilities

Earnings Per Share Growth

The vesting of 30% of an award will depend on the growth of the Company's basic earnings per share ('EPS'). For the purposes of the LTIP, earnings will be calculated as set out below. This reflects the headline profit figure used by the Company to present a measure of underlying performance and which is not impacted by exceptional items or items considered non-operational in nature. It is used by management to measure and monitor performance and is reported in the Company's accounts.

(a) Earnings will be calculated excluding:

(i) exceptional items – these are items which are material either because of their size or their nature, and which are non-recurring. Items which are included within the exceptional category include profits / (losses) on disposal of businesses and costs of acquisitions; spend on the integration of significant acquisitions and other major restructuring programmes; significant goodwill or other asset impairments; income and expenditure relating to John Crane, Inc. asbestos litigation; and other particularly significant or unusual items;

(ii) amortisation and impairment of acquired intangible assets;

(iii) financing credits and charges relating to retirement benefits;

(iv) tax; and

(v) any other material items that are considered by the Committee to be outside the control of management;

(b) EPS will be measured in terms of the compound annual growth in EPS achieved over the Performance Period by comparison with the EPS of the financial year immediately preceding the Performance Period.

Cash Conversion

The vesting of 20% of the award will depend on the Company's cash conversion. For these purposes, cash conversion shall be calculated as headline operating cashflow/headline operating profit.

Headline operating cash-flow is a non-statutory cash flow measure used by the Company to monitor performance. It is calculated as net cash inflow from headline operating activities less capital expenditure. It excludes interest; tax paid; cash inflow and outflow in respect of exceptional operating items; and pension deficit payments and includes expenditure on capitalized development; other intangible assets and property, plant and equipment; and disposals of property, plant and equipment in the ordinary course of business.

In considering the vesting of that part of an award subject to the cash conversion target the Committee expressly reserves the right to reduce the vesting level of awards to reflect the overall performance of the business.

Revenue Growth

The vesting of 30% of an award will depend on the percentage growth in the Group's annualised revenue over the Performance Period expressed on a compound annual growth basis ('Revenue Growth').

Revenue for these purposes means the absolute level of sales for the Group for the relevant Financial Year as stated in the accounts with such adjustments as the Committee considers necessary and/or desirable (a) to take account of exceptional or large one-off items and other matters which it considers to be substantially outside the control of Participants; and (b) to achieve fairness for both Participants and shareholders.

Return on Capital Employed

The vesting of 20% of an award will depend on the return on capital employed ('ROCE') of the Company (averaged over each relevant Financial Year, and calculated so as to exclude exceptional items and goodwill amortisation, and after adding back to capital employed goodwill already set off directly against reserves).

Following consultation with the Auditors, the Committee may make such adjustments as are necessary to the ROCE to ensure equitable treatment (including, insofar as relevant, for the purpose of taking into account the introduction of International Financing Reporting Standards).

Vesting schedule for awards granted in 2015

Awards will vest following the end of the Performance Period. The vesting schedule for awards granted in 2015 will be as set out below.

The EPS element of the award will vest in full if the Company's compound annual growth rate in EPS is equivalent to or greater than 12% per annum; 25% of this element will vest if compound annual growth in EPS is equivalent to 3% per annum; this element will vest on a straight line basis for compound annual growth in EPS between 3% and 12%. No part of this element will vest for compound annual growth in EPS below 3%. The Committee has determined these threshold and maximum vesting levels after considering the Company's historic performance and future plans, and on the basis of external advice. The Committee considers that the achievement of compound annual EPS growth of 12% per annum is a suitably demanding target for maximum vesting in the light of the Group's diverse business.

The cash conversion element of the award will vest in full if the Company's three year average cash conversion ratio is at least 100%; 25% of this element will vest if the ratio is 85%, with straight line vesting for ratios between 85% and 100%. No part of this element will vest if the cash conversion ratio is below 85%.

The Revenue Growth element of the award will vest in full if the Group's Revenue Growth is at least 5%; 25% of this element will vest if the Revenue Growth is 2%, with straight line vesting for Revenue Growth between 2% and 5%. No part of this element will vest if the Revenue Growth is below 2%.

The ROCE element of the award will vest in full if the Company's ROCE is at least 18%; 25% of this element will vest if the Company's ROCE is 15%, with straight line vesting for ROCE between 15% and 18%. No part of this element will vest if the Company's ROCE is below 15%.

Holding periods

At the time the Committee grants an award the Committee has discretion to impose a mandatory holding period on the shares to be allotted or transferred on the vesting of the award. During such holding period the relevant shares may not be transferred or disposed of (other than to satisfy any tax liability incurred in connection with the award). The Committee may exercise its discretion to allow early release of shares subject to a holding period if the participant ceases to be an employee of the Group.

Dividend enhancement

In addition to the shares which vest under an award, participants will receive a cash sum equal to the value of dividends paid on any vesting shares in the period between grant and vesting. Any cash paid in respect of dividends will be paid no later than 30 days after the vesting of shares.

Cessation of employment

Awards to executives who leave at any time prior to vesting will lapse unless they leave by reason of death, disability, or in other circumstances at the discretion of the Committee, for example on the sale out of the Group of the participant's employing company ('good leavers').

Awards for good leavers will vest at the normal vesting date to the extent that the performance conditions are met, but will normally be pro-rated on the basis of actual service within the Performance Period. If the Committee thinks there are circumstances that justify it, the Committee may release shares early having regard to performance achieved to the date of leaving.

Change of control

In the event of a change of control of the Company, performance will be measured to the date of change of control and awards will vest to the extent that the performance conditions are met by that date. The Committee will have discretion, in relation to the performance conditions, to adjust the vesting level if it considers that the performance conditions would have been met to a greater or lesser extent at the end of the full three-year performance period. The Committee will in normal circumstances scale down the vesting level of each element having regard to the time that has elapsed between the grant of the award and the date of change of control, but will retain a discretion to modify pro-rating if it considers that the contribution of the management team to the creation of shareholder value during the performance period would not otherwise be properly recognized.

An internal reorganisation to create a new holding company will not result in the accelerated vesting of awards, they will be replaced by awards over shares in the new holding company unless the Committee determines otherwise.

Adjustment of awards

If there is a variation in the share capital of the Company (including without limitation a capitalisation issue, rights or bonus issue or subdivision or consolidation of share capital, or a reduction of capital, in the event of a demerger or payment of a special dividend) the shares under award may be adjusted to reflect that variation. In addition, on a demerger the Committee may determine for some or all participants that part or all of the award shall vest and/or that awards held by participants leaving the group as a result of the demerger should be rolled over into equivalent awards in the demerged company.

Rights attaching to shares

A participant will not have any voting or dividend rights prior to the vesting of the award. All shares allotted under the LTIP will carry the same rights as any other issued ordinary shares in the Company and application will be made for the shares to be listed by the UK Listing Authority and traded on the London Stock Exchange.

Benefits received under the LTIP are not pensionable and may not be assigned or transferred except on a participant's death.

Alterations to the LTIP

In addition to the Committee's powers to vary performance measures described above, it will have authority to amend the rules of the LTIP, provided that no amendments to the advantage of the participants or eligible employees may be made to provisions relating to the key features of the LTIP without the prior approval of shareholders in general meeting unless the amendment is minor and made to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment. Key features are: who can be a participant, the limits on the number of shares which can be issued under the LTIP, the basis for determining a participant's entitlement to shares and the terms on which they can be acquired, and the provisions relating to adjustments in the event of a variation in the Company's share capital.

Additional schedules to the rules can be established to operate the LTIP outside the UK. These schedules can vary the rules of the LTIP to take account of any securities, exchange control or taxation laws or regulations.

Satisfaction of awards

An award may be satisfied with new issue shares, a transfer of treasury shares or shares purchased in the market.

Limits on the issue of shares

In any 10 year period, the Company may not grant awards under the LTIP if such grant would cause the number of shares that could be issued under the LTIP or any other share plan adopted by the Company or any other company under the Company's control to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant.

In addition in any 10 year period, the Company may not grant awards under the LTIP if such grant would cause the number of ordinary shares that could be issued under the LTIP or any discretionary share plans adopted by the Company or any other company under the Company's control to exceed 5% of the Company's issued ordinary share capital at the proposed date of grant.

The satisfaction of awards with treasury shares will be treated as an issue of ordinary shares for the purposes of the above limits for so long as institutional shareholder guidelines recommend this. If awards are satisfied by a transfer of existing ordinary shares, the percentage limits stated above will not apply.

General notes

1 The statutory Accounts and Reports for Smiths Group plc for 2015 are called the Annual Report 2015. The Directors' Remuneration Report for 2015, which includes the Directors' Remuneration Policy (2015), is contained in the Annual Report 2015. The first three items of business at the Annual General Meeting (the 'AGM') relate to the approval of (i) the statutory Accounts and Reports for 2015; (ii) the Directors' Remuneration Policy (2015); (iii) and the Directors' Remuneration Report for 2015. Shareholders who have not elected to receive the statutory Accounts and Reports for 2015 in printed form may obtain copies by writing to the Secretary, Smiths Group plc, 2nd Floor, Cardinal Place, London SW1E 5JL (e-mail: secretary@smiths.com) or by downloading them from the Company's website (www.smiths.com). Shareholders who wish to receive the printed statutory Accounts and Reports (free of charge) in future years should write to the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, quoting Reference 0282.

2 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If a proxy is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his or her discretion as to whether and, if so, how he or she votes.

3 A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, from the UK, please contact Equiniti Limited on 0371 384 2943. From outside the UK, call the Equiniti overseas helpline on +44 121 415 7047. Shareholders wishing to appoint a proxy and register their proxy votes electronically should visit the website www.sharevote.co.uk. The on-screen instructions will give details on how to complete the appointment and voting process. To be effective, electronic proxy appointments and voting instructions must be received before 10.30am on 15 November 2015 (or, in the event of an adjournment, not later than 48 hours before the time of the adjourned meeting).

4 In order to be valid any proxy form or other instrument appointing a proxy must be received by one of the following methods:

(a) in hard copy form using the reply-paid envelope or otherwise by post (in which case postage will be payable), by courier or (during normal business hours only) by hand to the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;

(b) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below; or

(c) by appointing and registering the proxy vote electronically by visiting the website www.sharevote.co.uk (the on-screen instructions will give details on how to complete the appointment and voting process).

IMPORTANT: in any case, a proxy form must be received by the Company before 10.30am on 15 November 2015 (or, in the event of an adjournment, not later than 48 hours before the adjourned meeting).

5 The return of a completed proxy form, other such instrument, any CREST Proxy Instruction (as described in paragraph 10 below) or the appointment of a proxy electronically will not prevent a shareholder attending the AGM and voting in person if he or she wishes to do so.

6 Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 (the '2006 Act') to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy of that shareholder for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

7 The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the 2006 Act, writes to you directly for a response.

8 In order to be entitled to attend and vote at the AGM or any adjourned meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6.00pm on 15 November 2015 (or, in the event of any adjournment, 6.00pm on the date which is two days before the time of the reconvening of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

9 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (IDRA19) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11 CREST members (and, where applicable, their CREST sponsors, or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting system providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

12 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that if two or more representatives purport to vote in respect of the same shares:

(a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and

(b) in other cases, the power is treated as not exercised.

14 As at 7 October 2015 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 395,044,379 ordinary shares carrying one vote each. Therefore the total voting rights in the Company as at 7 October 2015 was 395,044,379.

15 Copies of the directors' service contracts and letters of appointment for non-executive directors and deeds of indemnity are available for inspection at the registered office of the Company during normal business hours and may be inspected at the place of the AGM on 17 November 2015 from 10.15am until the close of the Meeting.

16 Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and is in line with corporate governance recommendations. The results of the poll will be published on the Company's website and notified to the UK Listing Authority as soon as practicable after the votes have been counted and verified.

17 Subject to the final dividend being approved at the AGM, dividend warrants will be payable on 20 November 2015 to the ordinary shareholders on the register at the close of business on 23 October 2015.

18 Although copies of the Annual Report 2015 are distributed to some shareholders and made available on the website, www.smiths.com, only ordinary shareholders on the register at the relevant time or their proxies are entitled to attend or vote at the AGM.

19 Shareholders should note that, on a request made by shareholders of the Company under Section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM for the financial year beginning 1 August 2014; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning 1 August 2014 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.

20 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

21 A copy of this notice and other information required by Section 311A of the 2006 Act can be found at www.smiths.com.

22 Members may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with the Company for any purposes other than those expressly stated.

23 The results of the voting at the general meeting will be announced through a Regulatory Information Service and will appear on our website – www.smiths.com – on 17 November 2015 or shortly thereafter.

24 Adoption of financial reporting standard FRS 101: Following the publication of FRS 100 'Application of financial reporting requirements' by the Financial Reporting Council, the Company is required to change its accounting framework for its financial statements, which is currently UK GAAP, for the financial year commencing 1 August 2015.

The Board considers that it is in the best interests of the Company to adopt FRS 101 'Reduced Disclosure Framework'. No disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 101.

Shareholders holding in aggregate 5% or more of the total allotted or issued shares in the Company may object to the use of this Reduced Disclosure Framework by writing to the Company at its registered office, 2nd Floor Cardinal Place, 80 Victoria Street, London SW1E 5JL, for the attention of the Company Secretary, by no later than 10.30am on 15 November 2015.

How to get there

Smiths Group plc

Annual General Meeting 2015

Northcliffe House Auditorium

Freshfields Bruckhaus Deringer LLP

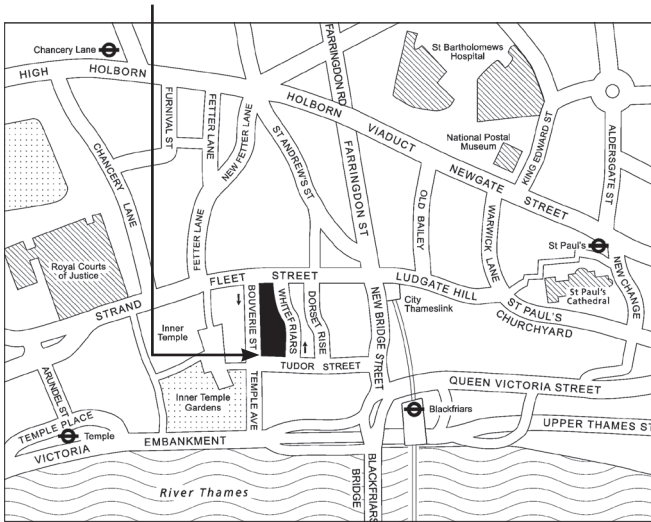
26-28 Tudor Street, London EC4Y 0BQ

Tuesday 17 November 2015 at 10.30am

Light refreshments only will be served

Entrance

The entrance to Northcliffe House is on the north-east corner of Bouverie Street and Tudor Street.



Financial Conduct Authority



Be ScamSmart

Investment scams are designed to look like genuine investments.

In association with the Institute of Chartered Secretaries and Administrators Registrars Group

Spot the warning signs.

Have you been...

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

How to avoid share fraud

- 1 Reject cold calls**
If you've been cold called with an offer to buy or sell shares, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.
- 2 Check the firm on the FS register at www.fca.org.uk/register**
The Financial Services Register is a public record of all the firms and individuals in the financial services industry that are regulated by the FCA.
- 3 Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Remember: if it sounds too good to be true, it probably is!

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk.

Find out more at www.fca.org.uk/scamsmart