



**SMC ELECTRIC LIMITED**

**蜆壳電業有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2381)**

## **SUCCESSION PLANNING POLICY**

(Adopted on 29 April 2020 by the Board)

### **1. Purpose**

1.1 The Company adopts a succession planning policy (the “**Policy**”) that aims to identify necessary competencies, and then works to assess, develop, and retain a talent pool of employees, in order to ensure a continuity of leadership for all critical positions.

### **2. Principles and Guidelines**

2.1 The nomination committee is responsible to review the structure, size and composition of the board of directors (the “**Board**”) and to identify appropriate candidates for recommendation to the Board.

2.2 To ensure succession planning and continuity in the Company and its subsidiaries (collectively the “**Group**”), the nomination committee will identify appropriate candidates and build up a talent pool for nomination for senior management positions in order to meet business needs and strategies of the Group from time to time.

2.3 The nomination committee will be responsible to make recommendations to the Board on the appointment or re-appointment and succession planning for directors of the Company, in particular the chairman and the chief executive officer, taking into account the Company’s corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

### **3. Review of the Policy**

3.1 The Company will continually review the Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Policy at any time.

This Policy is prepared in both Chinese and English. In the event of any inconsistency between the English and Chinese versions, the English version shall prevail.