

# **Semiconductor Manufacturing International Corporation (“SMIC” or the “Company”)**

## **Policy on Directors and Senior Management Remuneration**

(approved and adopted approved by the Board on July 26 2005 and amended by the Board on September 13, 2019 and May 13, 2021)

### **1. Title:**

Policy on Director and Senior Management Remuneration ( i.e. personnel with job grade of Executive Vice President and above and the Board Secretary who have been approved and appointed by the Board ) .

### **2. Purpose**

Pursuant to the Corporate Governance Policy adopted by the Board of the Company, the Company is required to establish policy on the remuneration of directors and senior management.

This policy is to outline the policy of the Company in respect of directors and senior management remuneration.

### **3. General Policy for determining directors and senior management remuneration**

- 3.1 Levels of remuneration should be sufficient to attract and retain the directors and senior management needed to run the Company successfully, but the Company should avoid paying more than is necessary for this purpose. No director nor senior management should be involved in deciding his or her own remuneration.
- 3.2 The Compensation Committee should consult the Chairman of the Board and/or CEO about their proposals relating to the remuneration of other executive directors, if any, and have access to professional advice if considered necessary.
- 3.3 The Compensation Committee shall have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management (meaning the same category of persons as referred to, and is required to be disclosed, in the Company’s annual report as defined in the Compensation Committee Charter of the Company) including benefits in kind, pension rights and compensation payments (including compensation payable as a result of dismissal, termination of employment or removal, and make recommendations to the Board on the remuneration of non-executive directors. The Compensation Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of directors, employment conditions elsewhere in the group and desirability of performance-based remuneration.
- 3.4 The duties and powers of the Compensation Committee are set out in the Compensation Committee

## Charter of SMIC.

- 3.5 Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”), any grant of options to directors (including executive, non-executive and independent non-executive members of the Board), chief executive of the Company, or any of their associates (as defined by the Hong Kong Listing Rules) must be approved by the independent non-executive directors of the Company (excluding independent non-executive director who is the grantee of the options). The independent non-executive, executive and non-executive director shall not be counted in the quorum for the relevant meeting insofar as it related to, nor vote or otherwise participate in any way in relation to matters relating to options granted or proposed to be granted to such director, or any of his associates (as defined by the Hong Kong Listing Rules).
- 3.6 In order to comply with Hong Kong laws and regulations, an interested director shall abstain from voting with respect to any resolutions in which he or she or any of his or her close associates has a material interest.
- 3.7 Pursuant to the Shanghai Stock Exchange Science and Technology Innovation Board Stock Listing Rules (“STAR Listing Rules”), the Company provides long-term incentives to its directors, executive senior management and other employees with the common share subscribed in Renminbi issued by the Company by means of restricted shares, share options or other means approved by the Shanghai Stock Exchange, shall abide by the STAR Listing Rules and relevant laws, regulations, regulatory documents, and articles of association of the Company, and perform the corresponding review procedures and information disclosure obligations.
- 3.8 The Compensation Committee should be provided with sufficient resources to discharge its duties.

#### **4. Amendments**

Any amendments to this policy shall be made in accordance with the Standard Operating Procedure of Directors and Senior Management Remuneration. Amendments shall be effective upon approval by the Board of the Company.