

April 16, 2020

Notice Concerning Establishment of Nomination and Compensation Committee

Company name : **SMC Corporation**
Stock exchange listing : Tokyo Stock Exchange first section
Security code : 6273
URL : <https://www.smcworld.com/ir/en/>
Representative : Katsunori Maruyama, President
Contact person : Akinori Kato, General Manager of Corporate Communications Office

At the Board of Directors' Meeting held today, SMC Corporation (SMC) resolved to establish the Nomination and Compensation Committee (hereinafter “Committee”), as an advisory body of the Board of Directors.

Also, SMC resolved to abolish its advisory bodies (Compliance Committee, Disclosure Committee and Management Meeting). Notice is hereby given as follows.

I. Establishment of the Committee

1. Purpose for establishing the Committee

SMC aims to progress on its corporate governance system by enhancing the fairness, transparency and objectivity to the nomination and compensation process of Directors.

2. Role of the Committee

The Committee will deliberate and propose the following matters to the Board of Directors:

- (1) Matters concerning the policies and procedures for election and dismissal of Representative Directors and Directors with Specific Titles, and appointment of the candidates of Directors and Corporate Auditors.
- (2) Matters concerning the draft of proposal for election and dismissal of Directors and Corporate Auditors to Shareholders' Meeting.
- (3) Matters concerning the draft of proposal for election and dismissal of Representative Directors and Directors with Specific Titles to Board of Directors' Meeting.
- (4) Matters concerning succession plan for Representative Directors.
- (5) Matters concerning the policies for determination of compensation of Directors.
- (6) Matters concerning the draft of proposal for compensation of Directors to Shareholders' Meeting and Board of Directors' Meeting.

3. Composition of the Committee

The Committee will consist of all the Representative Directors and Independent Outside Directors. The Chairman of the Committee will be appointed by mutual election of Independent Outside Directors.

4. Date of establishment

April 16, 2020

II. Abolishment of Other Advisory Bodies (Compliance Committee, Disclosure Committee and Management Meeting)

1. Reason for Abolishment

Compliance Committee, Disclosure Committee and Management Meeting have been established as advisory bodies of the Board of Directors during the period from 2004 to 2006. Those Committees are to be abolished because their functions are currently under the responsibility of the Board of Directors and the Executive Officers' Meeting, in substance.

2. Date of Abolishment

April 16, 2020