

# Primax Electronic Ltd.

## Regulations Governing Procedure for Board of Directors Meetings

- Article 1** The Regulations Governing Procedure for Board of Directors Meetings have been stipulated in order to establish an effective governance system, enhance supervising capability, and strengthen management functions for the Board of Directors pursuant to the Article 2 of “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.
- Article 2** The main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with these Regulations.
- Article 3** The board of directors shall meet at least quarterly.
- The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.
- All matters set out in paragraph 1 of Article 12 shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.
- Article 4** The Stock Affair of the company is the designated agenda working group.
- The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.
- A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5** When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.
- All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.
- A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.
- A proxy under paragraph 2 may accept a proxy from one person only.
- At least one independent director shall attend each meeting in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy.
- Article 6** The board of directors meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to attendance by all directors and suitable for holding a board of directors meeting.
- Article 7** Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly

elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.

**Article 8** When holding a meeting of the board of directors, a company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chairperson shall call the meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chairperson may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures in Article 3, Paragraph 2.

**Article 9** The company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors meeting is held via video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

**Article 10** Agenda items for regular meetings shall include at least the following:

1. Reports:

- 1) Minutes of the last meeting and actions arising.
- 2) Reporting on important financial and business matters.
- 3) Reporting on internal audit activities.
- 4) Other important matters to be reported.

2. Discussions:

- 1) Items discussed and continued from the last meeting.
- 2) Items for discussion at this meeting.

3. Extraordinary motions.

**Article 11** The proceedings of a meeting shall be conducted in accordance with the order of business on

the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chairperson may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chairperson shall declare a suspension of the meeting, in which case Article 8, paragraph 3 of the preceding article shall apply mutatis mutandis.

During the proceedings of a board meeting, if the chairperson is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 7, paragraph 2 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.

**Article 12** The company shall submit the following items for discussion by the board of directors:

1. Corporate business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to the law and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to the law, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. If the board of directors does not have managing directors, the election or discharge of the chairperson of the board of directors.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Any matter required by the law or regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

In the case of a meeting concerning any matter required to be submitted for a resolution by the independent director, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

With the exception of matters required to be discussed at a board meeting under the preceding paragraphs, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific.

**Article 13** When the chairperson at a meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a meeting, if the chairperson puts the matter before all

directors present at the meeting and none voices an objection, the matter is deemed approved. If there is an objection following an inquiry by the chairperson, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chairperson shall seek the opinion of the majority to make a decision:

- A. A show of hands vote.
- B. A roll call vote.
- C. A vote by ballot.
- D. A vote by a method selected at the company's discretion.

"All directors present at the meeting" in the preceding two paragraphs does not include directors prohibited from exercising voting rights pursuant to Article 15, paragraph 1.

**Article 14** Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

If there is amendment to or substitute for an agenda item, the chairperson shall decide the sequence of voting for such original agenda item, the amendment, and the substitute.

If any one of them has been adopted, the others shall be deemed vetoed and no further voting will be necessary.

The result of voting shall be announced at the meeting and placed on record.

Directors who object to the results of voting may make a written statement, and such written statement shall be recorded in the minutes of the meeting.

**Article 15** If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

The provisions of the Company Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding paragraphs from exercising voting rights.

**Article 16** Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

1. Session or year, time, and place of meeting.
2. Name of the meeting chairperson.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal;

opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 12, paragraph 2.

8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. If the company has an audit committee, any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.

The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

**Article 17** In accordance with laws or the Company's Articles of Incorporation, authorizes the chairperson to exercise the powers of the Board during its recess, the scope of such authorization shall include:

1. Convening meetings of the Board of Directors and executing its resolutions.
2. Reviewing business-related regulations and significant contracts.
3. Approving matters authorized to the chairperson pursuant to the Company's Articles of Incorporation, delegated authority provisions, and other management guidelines.

**Article 18** For matters not provided for in these Regulations, the other applicable laws and regulations shall govern. These Regulations shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders' meeting. Any future amendment may be adopted with a resolution of the board of directors.

**Article 19** These Regulations were established on January 7, 2008.

Amendment for 1<sup>st</sup> instance: June 4, 2009.

Amendment for 2<sup>nd</sup> instance: July 2, 2010.

Amendment for 3<sup>rd</sup> instance: March 14, 2011.

Amendment for 4<sup>th</sup> instance: January 30, 2013.

Amendment for 5<sup>th</sup> instance: May 13, 2015.

Amendment for 6<sup>th</sup> instance: November 14, 2018.

Amendment for 7<sup>th</sup> instance: March 10, 2020.

Amendment for 8<sup>th</sup> instance: November 4, 2022.

Amendment for 9<sup>th</sup> instance: January 20, 2025.