

**NANJING PANDA ELECTRONICS COMPANY LIMITED****Rules of Procedures for the Board of Directors  
(Amended in December 2025)****Chapter 1 General Provisions**

Article 1 These rules are formulated in accordance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Articles of Association and other relevant regulations in order to normalize the discussion methods and procedures of the Board of Directors (the "Board") of Nanjing Panda Electronics Company Limited (the "Company") to ensure scientific and correct decision-making of the Board and to ensure that its functions are effectively exercised.

Article 2 These Rules shall be binding on all directors, general manager, deputy general manager(s), chief accountant, secretary to the Board and other senior management officers of the Company.

**Chapter 2 Composition of the Board**

Article 3 The Board shall comprise nine directors, including one Chairman and one or two vice-chairmen.

The Board shall include at least three (3) independent directors served by independent persons.

The Board shall include one (1) staff representative director of the Company. The staff representative directors shall be elected by staffs of the Company at the staff representative meeting or the staff meeting or by other forms of democratic election, without the need to submit it to the shareholders' meeting for consideration.



The Board shall appoint one or more directors to serve as executive director(s) to deal with matters as authorised by the Board.

Article 4 Directors shall be elected or replaced at the shareholders' meeting and may be removed by the shareholders' meeting before the expiry of their term of office. The term of office of the directors is three years. At the expiry of a Director's term of office, the term is renewable upon re-election.

The term of office of the directors shall commence on the date of taking office and end on the expiry of the term of office of the current session of the Board. If a new director is not timely elected upon expiry of the term of office of a director, the incumbent director shall continue to perform his or her duties as a director in accordance with the requirements of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected director assumes office.

The successive terms of office of independent directors shall not exceed six (6) years. Independent directors shall be elected from candidates nominated by the Board, the audit and risk management committee or one or more shareholders who representing 1% or more of issued shares of the Company at the shareholders' meeting. The aforementioned nominees shall not nominate individuals with interests or other closely related individuals who may affect their independent performance as independent director candidates. Other directors shall be elected from candidates nominated by the Board or one or more shareholders who representing 1% or more of issued shares of the Company at the shareholders' meeting.

Written notice of the intention to nominate director candidates and their consent to accept the nomination shall be lodged with the Company no later than seven days before holding of the meeting.



Article 5 The shareholders' meeting may resolve to remove a director, with the removal taking effect on the date the resolution is made. If a director is removed prior to the expiration of his/ her term of office without any reasonable grounds, he/she may request compensation from the Company.

Article 6 The Chairman and vice-chairman shall be elected and removed by more than one half of all the directors of the Board. The term of office of the Chairman and vice-chairman is three years, renewable upon re-election. Directors may hold a concurrent post as other senior management of the Company.

Article 7 The chairman of the Board is entitled to exercising the following powers:

- (1) to preside over shareholders' meetings and to convene and preside over the Board meetings;
- (2) to supervise and check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company; and
- (4) other powers conferred by the Board.

If the chairman is unable or fails to perform his/her duties, the vice chairman shall perform such duties; if the vice chairman is unable or fails to perform his/her duties, a director nominated by half or more of the directors shall perform such duties.

### **Chapter 3 Directors**

Article 8 The directors shall not be required to hold shares of the Company.

Article 9 The directors of the Company are natural persons, a person in any of the following circumstances may not serve as the Company's director:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who is imposed any criminal penalty due to corruption, bribery, unauthorized appropriation of property or misappropriation of property or jeopardizing the socialist market economic order, and or if he/she is deprived off the political rights



due to committing crime, and it is less than five years upon expiry of execution of such deprival, or if he has been granted a suspended sentence, and it is less than two years upon the expiry of the probation period of the suspended sentence;

(3) a person who is a former director, factory manager or manager of a company or enterprise which has been dissolved or put into liquidation and who was personally liable for the winding up of such company or enterprise, where no more than three years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;

(4) a person who is a former legal representative of a company or enterprise the business license of which was revoked or ordered to close down due to violation of law and who is personally liable for such revocation, where no more than three years have elapsed since the date of the revocation of the business license or ordered to close down;

(5) a person who bears a relatively large amount of debts which have fallen due and outstanding and is listed by the people's court as a judgment defaulter;

(6) a person prohibited from entering the securities market by the CSRC and the prohibition period has not yet expired;

(7) a person who has been publicly identified by any stock exchange to be unsuitable for serving as the director and/or senior management of a listed company and the term has not yet expired;

(8) other circumstances as stipulated by the laws, administrative regulations or departmental rules.

Any election or appointment of director in violation of the provisions of this Article shall be invalid. Where a director has any circumstance described above during his/her tenure, he/she shall be removed from office and suspended from performing his duties.

Article 10 The directors shall perform duties as provided in relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's



shares are listed and the Articles of Association.

## **Chapter 4 Duties of the Board**

Article 11 The Board report to shareholders' meetings and exercise the following powers:

- (1) to convene shareholders' meetings and report its work to the shareholders' meeting;
- (2) to implement the resolutions of shareholders' meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's profit distribution plan (including final dividends plan) and plan for recovery of losses;
- (5) to formulate the Company's proposed annual preliminary and final financial budgets;
- (6) to formulate proposals for increases or reductions of the Company's registered capital, the issue of corporate debentures or other securities and listing;
- (7) to draw up plans for the Company's material acquisition, repurchase of the Company's share, or the merger, division, dissolution and change of the corporate form;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to determine the legal representative of the Company;
- (10) to specify the products as stated in the authorized business scope of the Company in accordance with operating requirements;
- (11) to appoint or dismiss the general manager, the secretary of the board of directors and other senior management members of the Company, and decide on their remuneration and matters relating to awards or penalties; and pursuant to the general manager's nominations to appoint or dismiss the deputy manager, chief accountant and other senior management members of the Company and decide on their remuneration and matters relating to awards or penalties;
- (12) to determine the Company's major income distribution plan, the Company's



total salary budget and liquidation plan, the Company's employee income distribution plan and its annuity plan;

(13) to formulate the Company's basic management system;

(14) to prepare proposals for any amendments to the Articles of Association;

(15) to manage the information disclosure of the Company;

(16) to propose to the shareholders' meeting the appointment or replacement of the accounting firm that audits the Company;

(17) to listen to the work report of the general manager of the Company and inspect the work of the general manager;

(18) within the scope authorized by the shareholders' meeting, to make decisions on issues such as external investment, acquisition and sale of assets, pledge of assets, provision of external guarantee, entrusted financial management, connected transactions and external donations;

(19) to be responsible for the Company's environmental, social and governance (ESG) strategy and reporting, managing and overseeing corresponding impacts, risks and opportunities on its sustainable development;

(20) to take up any other duties as stipulated in laws, administrative regulations, departmental rules, the Articles of Association or authorized by shareholders' meetings.

All of the above matters, excluding those under subparagraphs (6), (7), (14) and (18) which require the approval of two-thirds of the votes at Board meetings, require the approval by more than half of all the directors at Board meetings.

The Board shall clarify its scope of powers on external investment, acquisition and sale of assets, pledge of assets, provision of external guarantee, entrusted financial management and connected transactions and external donation, and shall establish stringent examination and decision-making procedure; and material investment projects shall be considered by relevant experts and professionals and be submitted to the shareholders' meeting for approval.



Article 12 The Board shall first seek advice from the Party committee before decision on major issues of the Company. The secretary to the Discipline Inspection Commission of the Company may attend the Board meetings and special committees of the Board.

### **Chapter 5 Notice of Meeting**

Article 13 Meetings of the Board shall be held at least twice every year and convened by the Chairman of the Board. Notice of the meeting shall be served on all of the directors ten (10) days before the date of the meeting. When proposed by the shareholders representing more than one-tenth of the voting rights or by more than one-third of directors or the audit and risk management committee, an extraordinary Board meeting may be held.

Article 14 The way of notifying for the extraordinary Board meeting shall be given in writing or by telephone; the notice period shall be 10 days in advance for extraordinary Board meeting.

Article 15 The notice of the board meeting shall include:

- (1) date and place of the meeting;
- (2) duration of the meeting;
- (3) reasons for and discussion topics of the meeting;
- (4) date of issuing the notice.

Article 16 The Company shall bear expenses incurred when directors attend meetings of the Board, which include transportation fee (covering distance from the registered addresses of the directors to the venue of the meeting) and accommodation expenses in the session. Rental for meeting room and miscellaneous such as local transportation expenses shall also be borne by the Company.



Article 17 The Board meetings will be conducted in Chinese, and an interpreter may be arranged to offer live interpretation if necessary.

Article 18 If a director has attended the meeting and protected for not receiving such notice, it shall be deemed that the notice of the meeting has been delivered to him/her.

## **Chapter 6 Meetings and resolutions**

Article 19 As long as the participating directors can hear clearly what the other directors are saying and are involved in communicative exchange with each other, in principle, a Board meeting may be held in the form of on-site meeting or by teleconference or by way of similar telecommunication devices, and all participating directors shall be deemed as attending the meeting in person.

Article 20 The Board meeting may be held only if more than half of directors (including other director who is appointed pursuant to Article 21 hereof) attend. Each director has a ballot for voting. Resolutions of the Board shall be passed by half or more of all directors, unless otherwise stipulated in laws and Articles of Association. When the dissenting votes and affirmative votes are equal, the chairman has the right to cast one more vote.

Article 21 A director shall attend Board meetings in person or appoint in written other director to attend the meeting on his/her behalf due to his/her absence. The power of attorney shall specify the name of the proxy, the matters to be dealt with by the proxy, the scope of authorization and the term of validity, and shall be signed or sealed by the appointer.

The director attending the meeting on other's behalf shall only exercise the rights within the power of attorney. Should a director neither attend a Board meeting nor appoint another director to attend on his behalf, the said director shall be deemed as waiving his voting rights at the meeting.



A director may not accept proxies from more than two other directors to attend a Board meeting; and independent directors may not appoint non-independent directors as proxies to attend meetings.

If a director fails to attend the Board meeting in person on two consecutive occasions or fails to attend the Board meeting in person more than one half of the total number of the Board meetings during the twelve consecutive months of the term of office, the director shall make a written statement and disclose it to the public.

Article 22 The Board may consider and approve resolutions in written form instead of convening extraordinary Board meetings. The resolution related to the meeting shall be delivered to each director by mail, email, fax or in person. If such resolution has been delivered to all directors, signed and approved by directors above quorum, and delivered to the secretary to the Board by any one of the aforesaid means, they will be passed as a resolution of the Board.

Article 23 The minutes of the Board meetings and board resolutions passed without convening a Board meeting shall be in Chinese. Minutes for each Board meeting shall be reviewed by all directors as soon as possible, and directors who would like to make amendment to the minute shall report his amendment advice in written to the chairman within one week upon receipt of the minutes. The minutes shall be signed by directors attending the meetings and the minutes-taking officer.

Article 24 The minutes of the Board meeting shall contain the following:

- (1) date and place of the meeting and the name of convener;
- (2) names of the directors personally attending the meeting, names of the directors (the proxies) attending the meeting by proxy;
- (3) agenda of the meeting;
- (4) main contents of the speeches given by directors;
- (5) voting method and result for each matter resolved at the meeting (the voting result shall reflect the number of affirmative votes, negative votes and abstaining votes).



The minutes shall be kept at the registered address of the Company for a period of not less than 10 years.

Article 25 Directors shall accept liabilities for resolutions of the Board. If a resolution of the Board violates laws, administrative regulations or the Articles of Association and resolutions of the shareholders' meeting, and results in the Company sustaining serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.

Article 26 Proposals for the Board meeting shall be submitted to the Board for consideration after they are reviewed by Secretary to the Board. Documents signed by directors shall be not passed as resolutions of the Board if not complied with the proceeding stipulated procedures, and directors who sign on them shall assume liabilities thereunder.

## **Chapter 7 Secretary to the Board of Directors**

Article 27 The Company shall have its secretary to the Board, who shall be an officer of the Company and appointed by the Board and report to the Board. The secretary to the Board shall be present at important decision-making meetings of the Company such as shareholders' meetings, Board meetings, office meetings of general manager and meetings of special committees under the Board. The secretary to the Board shall present at the meeting of Party committee where significant operating management matters are studied and discussed.

Article 28 The secretary to the Company's Board shall be a natural person who has the requisite professional knowledge and experience and is primarily responsible for:

(1) being the designated contact person between the Company and the regulatory authorities, preparation and submission of documents required by the regulatory



authorities, as well as arrangements to complete the assignments of the regulatory authorities.

(2) preparation and organisation of the Board meeting and shareholders' meeting in accordance with the statutory procedures, preparation and delivery of reports and documents for the Board meeting and shareholders' meeting, attending Board meeting and shareholders' meeting and making minutes for them, signing on the minutes to ensure their accuracy and assisting the chairman in reviewing the implementation of the Board resolutions.

(3) being responsible for information disclosure of the Company, coordinating and organising the corporate information disclosure, including organising the establishment of Management Rules on Information Disclosure, urging the Company and the personnel responsible for information disclosure to comply with disclosure regulations, reception of visits, reply to enquiry, contact with shareholders, and provision of information publicly disclosed by the Company to investors so as to facilitate the timely, lawful, true, accurate and complete information disclosure of the listing company.

Secretary to the Board shall attend all meetings that involve disclosable information. The Company's functional departments and subsidiaries shall advise Secretary to the Board the information for disclosure. The Company shall consult the opinion of the Secretary to the Board from the angle of operation regulation and information disclosure before making an important decision.

(4) being responsible for the confidentiality of the undisclosed information of the Company and formulating measures for confidentiality. Should the undisclosed material information be divulged, he shall take timely remedies to make explanation and clarification, and report it to the stock exchange in the place where the Company's shares are listed and CSRC.

(5) keeping track of media reports and taking the initiative to seek confirmation of the actual situation, and supervising the Company and other relevant entities to respond to enquiries of the regulatory authorities in a timely manner.

(6) managing changes in the stock of the Company. Keeping the Register of



shareholders, directors and Secretary to the Board, information on the shareholding of major shareholders and directors, seals of the Board, documents and minutes of the Board meetings and shareholders' meetings of the Company.

(7) helping and urging directors and senior management members of the Company to comply with their liabilities stipulated in laws, regulations, Articles of Association, listing rules of the stock exchange in the place where the Company's shares are listed and the listing agreement to effectively fulfill the commitments made by them and assisting the chairman in regulating the operation of the Company.

(8) assisting the Chairman in exercise his duties and provide consultation and advice for material decision of the Company.

Remind the Board when resolutions made by it are in contravention of the laws, regulations, Articles of Association and other relevant provisions, recorded in the minutes when the Board insist making such resolutions and immediately submit the minutes to all directors of the Company.

(9) other duties provided and authorised by the regulatory authorities and the Board.

Article 29 A director or other officer of the Company may also hold the office of the secretary to the Board. The accountant(s) of the certified public accountants' firm and lawyer(s) of the law firm appointed by the Company shall not act as the secretary to the Board.

Provided that where the office of secretary is held by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary may not perform the act in dual capacity.



**Chapter 8 Supplementary Provisions**

Article 30 These rules shall be interpreted by the Board.

Article 31 Should there be discrepancy between these rules and the laws, administrative regulations and rules from relevant authorities promulgated by the State or Articles of Association, the State laws, administrative regulations, rules from authorities and Articles of Association shall prevail.

Article 32 Other matters not contained in these rules shall be handled in accordance with the provisions of the State laws, administrative regulations, rules from authorities and Articles of Association; and if there are no relevant provisions, the matters shall be submitted to the shareholders' meeting for consideration as suggested by the Board.

The board of directors of Nanjing Panda Electronics Company Limited

4 December 2025