

# **Yangzhou Yangjie Electronic Technology Co., Ltd.**

## **Rules of Procedures for the Board of Directors**

### **Chapter I General Provisions**

Article 1 To strengthen and standardize the meeting and decision-making procedures of the Board of Directors of Yangzhou Yangjie Electronic Technology Co., Ltd. (hereinafter referred to as the Company) and to ensure the smooth operation of the

management and administration, these rules are hereby formulated.



whether it impacts the company's standardized operations, highlighting the related risks:

- i. He has been subject to administrative penalties by CSRC within the last three years;
- ii. He has been publicly censured by the securities exchange or criticized more than three times within the last three years;
- iii. He is under criminal investigation by judicial authorities or under investigation for suspected legal or regulatory violations by CSRC, with no definitive conclusion;
- iv. He is publicly listed as untrustworthy on the illegal and untrustworthy information inquiry platform of the securities and futures market by CSRC or included in the list of dishonest persons enforced by Courts.

The period mentioned above ends on the date the Board of Directors deliberates on the director appointment proposal.

Article 9 After being nominated, a director candidate must self-examine whether he meets the qualifications for the position and promptly provide the listed company with written explanations and relevant qualification certificates (if applicable).

He must make a written commitment to accept the nomination, ensuring that the disclosed information about the candidate is true, accurate, and complete, and guarantee to faithfully fulfill his duties upon election.

Article 10 Directors are elected or replaced by the Shareholders Meeting, serving a term of three years. A director may be consecutively re-elected upon the expiration of their term. Before the expiration of the term of a director, the Shareholders Meeting may not dismiss the director for no reason.

A director is not required to hold shares in the Company.

A term commences from the time of appointment and continues until the end of the current Board of term.

If a director is not timely re-elected upon the expiration of his term, or if his resignation results in fewer board or board special committee members than the legal minimum, the director must continue to perform his duties in accordance with the laws, regulations, and the Articles of Association until their successors assume office, although their rights are reasonably restricted as stipulated by the *Articles of Association* and the Rules.

the delivery of the resignation report to the Board of Directors.

Article 11 The total number of directors who also serve as senior management of the listed company or who are elected as representatives of employees shall not exceed half of the total number of directors.

Article 12 When electing two or more directors (including two), the Shareholders Meeting shall adopt a cumulative voting system and vote in accordance with the specific rules of the cumulative voting system stipulated in the *Articles of Association*.

Article 14 The Company may increase or decrease the number of Board of Directors members as needed for business development within the scope allowed by law, regulations, and the *Articles of Association*. Any changes to the Board of Directors members, including increasing or decreasing the number of board members, dismissing, or electing directors, shall be decided by the Shareholder Meeting in accordance with the *Articles of Association*.

Article 15 The Company shall fully disclose detailed information about the director candidates in the notice of Shareholder Meeting, which shall include at least the following:

- i. Academic background, working experiences, concurrent jobs and other personal information;
- ii. Any affiliation with the Company or its de facto controller and controlling shareholders;
- iii. The number of shares held in the Company;
- iv. Any penalties imposed by CSRC and other relevant departments, and disciplinary actions by the securities exchanges.

Except in elections of directors using a cumulative voting system, each director candidate shall be proposed as a separate item.

Article 16 If a director fails to personally attend or appoint another director to attend two consecutive board meetings, it shall be considered as a failure to perform his duties, and the Board of Directors shall recommend that the Shareholder Meeting dismiss him.

Article 17 A director may resign before the end of his term. He shall submit a written resignation report to the Board of Directors, which shall disclose the relevant circumstances within two days.

Article 18 If a resignation results in the Board of Directors falling below the minimum legal number of directors, his resignation report shall not take effect until the vacancy caused by his resignation is filled. The director intending to resign shall continue to perform his duties until the resignation report takes effect. The Company shall complete the election of a replacement within two months.

Apart from the aforementioned conditions, a resignation takes effect upon the delivery of the resignation report to the Board of Directors.

The director should specify in their resignation reports the time of resignation, the reasons for resigning, the positions being resigned from, and whether they will continue to hold positions in the Company and its controlling subsidiaries after resignation (if continuing to hold a position, details of the continued employment should be provided).

Article 19 Before the effectiveness of the resignation, relevant directors and senior management personnel shall continue to perform their duties in accordance with relevant laws, administrative regulations, departmental rules, normative documents, the *Chinext Listing Rules*, other provisions of the Shenzhen Stock Exchange, and the *Articles of Association* to ensure the normal operation of the company.

Article 20 Upon the effectiveness of a resignation or the expiration of his term, he shall complete all handover procedures with the Board of Directors. The

obligations of a director to the company and shareholders do not automatically terminate until a reasonable period after his resignation report takes effect or after the end of his term, and his duty to keep the trade secrets remains effective until such secrets become public information.

Article 21 If a director is nominated again as a candidate for director or senior management of the listed company within three years of leaving office, the Company shall promptly disclose the reasons for the appointment and his stock transactions after leaving office.

Article 22 Independent directors shall comply with the relevant provisions of laws, administrative regulations, and departmental regulations.

Article 23 With the approval of the Shareholders Meeting, the Company may purchase liability insurance for directors, except for liabilities arising from violations of laws, regulations, and the *Articles of Association* by the directors.

### **Chapter III Standards for the Conduct of Directors**

#### **Section 1 Employment**

Article 24 A director must personally attend the Shareholders Meeting or the meeting of the Board of Directors where his appointment is being considered, and he must explain his qualifications, professional capabilities, work experience, any illegal or non-compliant activities, potential conflicts of interest with the listed company, and er, controlling shareholders, other directors, and senior management personnel.

Independent directors shall also state their independence and competency and be subject to inquiries from shareholders.

Article 25 A director must ensure that he can devote sufficient time and energy to the affairs of the Board of Directors and fully perform the duties required of a director before accepting the appointment.

#### **Section 2 Deliberation of Material Events**

Article 26 A director must attend meetings of the Board of Directors in person. If unable to attend in person for a valid reason, a director must carefully choose another director to attend on his behalf in writing. Independent directors may not delegate their attendance to non-independent directors. When voting matters are involved, the mandator must specify in the proxy his consent, dissent, or abstention on each item. The director must not make or accept proxies without voting intention, grant full responsibility for voting matters is not excluded by delegating attendance to another director. During the deliberation of related-party transactions, non-related directors may not delegate their attendance to related directors.

A director may not accept proxies from more than two other directors at a single meeting of the Board of Directors.

Article 27 A director should pay attention to the decision-making process of deliberations of the Board of Directors, especially the proposal procedures, decision-making authority, voting procedures, and matters of avoidance.

Article 28 A director must attend meetings of the Board of Directors in person. Under the following circumstances, a director must provide written explanations and disclose them publicly:

- i. Failure to personally attend two consecutive meetings of the Board of Directors;
- ii. Failure to personally attend more than half of the meetings of the Board of Directors held during any consecutive twelve-month period within his tenure.

Article 29 When deliberating authorization proposals, the director should carefully assess the scope, reasonableness, and risks of the authorization. He should pay full attention to whether it exceeds the authorization limits stipulated in the *Articles of Association*, *Rules of Procedures for the Shareholders Meeting*, and the Board of \_\_\_\_\_ rules, and whether the authorized matters involve significant risks.

The director should continuously supervise the execution of authorized matters.

Article 30 When the Board of Directors deliberates on significant transaction matters, directors should thoroughly understand the reasons for the transactions and carefully assess their impact on the \_\_\_\_\_ financial condition and long-term development. Special attention should be given to any attempts to use related-party transactions to disguise unrelated transactions and actions that may harm the interests of the Company and minority shareholders.

Article 31 When the Board of Directors deliberates on related-party transaction issues, it should make clear judgments on the necessity, fairness, real intent, and impact on the Company of the related-party transactions. Special focus should be on the pricing policies and the basis for pricing, including the fairness of the valuation, the reasons for discrepancies between the transaction price and the book value or assessed value, and strictly adhere to the system for related directors to avoid conflicts, preventing the manipulation of profits, benefits to related parties, and harm to the Company and minority

accounting estimates, or corrections of significant accounting errors, directors should pay attention to the reasonableness of these changes or corrections, their impact on the regular reporting of accounting data, whether retrospective adjustments are involved, whether they could lead to changes in the profit or loss nature of the relevant years, and whether they could be used to manipulate profits.

Article 35 When the Board of Directors deliberates on providing financial aid, directors should actively understand the basic situation of the aided party, such as their operational and financial condition, credit status, and tax situation.

Directors should make prudent judgments on the compliance, reasonableness, repayment ability of the aided party, and the effectiveness of guarantee measures.

When the Board of Directors deliberates on providing financial assistance to subsidiaries in which the listed company holds no more than 50% of the shares, joint ventures, or subsidiaries formed with related parties, directors should focus on whether other shareholders of the funded entities are providing financial support in proportion to their shareholdings under equivalent conditions, and whether such support harms the interests of the listed company.

Article 36 When the Board of Directors deliberates on the sale or transfer of assets related to the core competitive capabilities of the listed company, such as trademarks, patents, proprietary technologies, and franchise rights, directors must fully focus on whether such transactions might harm the legal rights and interests of the Company and minority shareholders, and clearly express their opinions on this matter. These opinions should be recorded in minutes of the Board of Directors Meeting.

Article 37 When the Board of Directors deliberates on entrusted financial management, directors should fully focus on whether the approval rights for entrusted financial management are given to individual directors or senior management, whether related risk control systems and measures are robust and effective, and whether the trustee has a good record of integrity, operational condition, and financial status.

Article 38 When the Board of Directors deliberates on high-risk investments and derivatives trading, directors should fully consider whether the listed company has established specialized internal control systems, whether the investment risks are controllable, whether whethfe

capitalization from the capital public reserve, directors should pay attention to the compliance and reasonableness of the plan, and whether it matches the listed company's available profit total, adequacy of funds, growth potential, and sustainable development.

Article 42 When the Board of Directors deliberates on significant financing proposals, directors should consider whether the listed company meets the financing conditions, and analyze the pros and cons of various financing methods in conjunction with the situation to reasonably determine the financing method.

Article 43 When the Board of Directors deliberates on regular reports, directors must carefully read the entire report, focusing on whether the content is true, accurate, and complete, whether there are significant compilation errors or omissions, whether major accounting data and financial indicators have fluctuated significantly and whether the reasons for such fluctuations are reasonable, whether there are any anomalies, and whether the Board report has comprehensively analyzed the financial condition and operating results of the listed company during the reporting period and fully disclosed condition and operating results.

Directors must legally sign a written confirmation on the truthfulness, accuracy, and completeness of the regular report; they cannot delegate this responsibility to others nor refuse to sign for any reason.

If a director cannot guarantee the truthfulness, accuracy, and completeness of the content of the regular report or has objections to the content of the regular report, he must state his opinions and specific reasons in the written confirmation, and the Board of Directors should explain and announce the matters involved and their impact on the Company.

Article 44 Directors must strictly enforce and urge senior management to execute resolutions from the Shareholder Meeting and the Board of Directors.

If one of the following situations is discovered during the execution, directors must promptly report to the Board of Directors and propose appropriate measures:

- i. Significant changes in the implementation environment or conditions, leading to the inability to implement or continued implementation that could harm the interests;
- ii. Actual implementation is inconsistent with the resolution content, or significant risks are discovered during implementation;
- iii. There is a significant discrepancy between the actual progress and the resolution, making it difficult to achieve the expected goal.

Article 45 When voting on significant matters described in Articles 29 to 42 or other issues that could significantly express opinions on whether these matters comply with national laws and regulations and whether they potentially harm the lawful rights and interests of public shareholders. These opinions should be recorded in minutes of the Board of Directors Meeting.

### Section 3 Duties and Obligations of Directors

Article 46 Directors must comply with laws, regulations, and the *of Association*, faithfully fulfill their duties, and safeguard the interests of the Company.

Directors should base their decisions on thorough investigations and available documentation about the issues under consideration, considering the legality and compliance of the matters, their impact (including potential impact) on the Company, and the associated risks, while diligently performing their duties with a reasonable and prudent attitude and clearly expressing their personal opinions on the matters. If there are doubts regarding any matters, directors should actively investigate or request the Board of Directors to provide more sufficient information or data necessary for decision-making.

Article 47 Directors owe a duty of loyalty to the Company. When their personal interests conflict with those of the Company and shareholders, they should act in the best interests of the Company and shareholders and ensure:

- i. To comply with relevant laws, regulations, and the \_\_\_\_\_, and adhere to publicly made commitments;
- ii. To make the Company comply with national laws, regulations, rules, and the \_\_\_\_\_, fulfilling duties of integrity and diligence;
- iii. To exercise their powers within their terms of reference without overstepping;
- iv. To abstain from entering into contracts or transactions with the Company unless stipulated by the \_\_\_\_\_ or approved by the Shareholder Meeting when informed;
- v. To refrain from using insider information for personal or third-party gain;
- vi. To avoid managing or assisting others in managing a business similar to that of the \_\_\_\_\_;
- vii. To resist using their authority to receive bribes or other illegal incomes and to prevent misappropriation of company assets;
- viii. To prohibit the misallocation of funds or lending Company funds to others;
- ix. To prevent using their position to secure business opportunities belonging to the Company for themselves or others;
- x. To reject accepting commissions related to transactions with the Company;
  
- xii. To ensure no use of company assets to provide guarantees for the debts of shareholders, related parties, any non-legal entities, or other individuals without the consent of the *Articles of Association*, the Shareholder Meeting, or the Board of Directors; and
- xiii. To safeguard confidential information obtained during their tenure from being disclosed without the consent of the Shareholders Meeting. However, under the following circumstances, this information may be disclosed to the courts or other relevant government authorities:
  1. As required by law;
  2. As demanded by public interest;
  3. As necessitated by the legitimate interests of the director.

Income of the director in violation of provisions of this Article shall be attributed to the Company; in the event that the director causes any loss to the Company, he shall bear the responsibility for indemnification.

Article 48 Directors should exercise the rights granted by the Company cautiously, earnestly, and diligently to ensure:

- i. To protect the best interests of the Company and all shareholders, and to perform their duties faithfully, honestly, and diligently;
- ii. To ensure sufficient time and energy to fulfill their responsibilities;

administrative regulations, and various economic policies, and do not exceed the business scope specified in the business license;

iv. To treat all shareholders fairly;

v. To read carefully the various business and financial reports, and to stay

vi. To exercise personally the legally granted management and disposal rights, free from manipulation by others, and without delegating these rights to others unless permitted by law, administrative regulations, or approved by the Shareholder

Article 51 Directors must ensure that the information disclosed by the Company is true, accurate, and complete. If directors cannot guarantee the truthfulness, accuracy, and completeness of the disclosed information, or if they have objections to the disclosed information, they must make an appropriate statement in the announcement and explain the reasons. The Board of Directors should explain and announce the matters involved and their impact on the Company.

actively promote the establishment of internal Company systems. They should proactively understand the significant matters that have occurred or may occur and their operations to the Board of Directors, not excusing themselves from responsibility by claiming they are not directly involved in or unfamiliar with relevant business.

Article 53 When directors discover that the Company or its directors, senior management, shareholders, or controlling shareholders are suspected of illegal or demand that the parties involved immediately correct or stop these actions and promptly report the situation to the Board of Directors, calling for an investigation. If necessary, they should report to the Shenzhen Stock Exchange.

#### Section 4 Special Conduct Guidelines for the Chairman

Article 54 The Chairman of the Board is a director, elected and removed by a majority of all directors.

The Chairman of the Board has the following powers:

- i. To preside over the Shareholder Meeting and convene and chair the BoD meetings;
- ii. To supervise and inspect the implementation of the Board of Directors resolutions;
- iii. To sign stocks, company bonds, and other securities issued by the Company, unless otherwise stipulated by laws and regulations, securities supervision and management authorities, or stock exchanges of the GDR listing location;
- iv. To sign important Board of Directors documents and other documents that should be signed by the Company's legal representative;
- v. To exercise the power of the legal representative;
- vi. To exercise special disposal rights that comply with legal provisions and company interests in the event of major natural disasters or other force majeure emergencies, and report to the Board of Directors and Shareholder Meeting afterward; and
- vii. To exercise other powers granted by the Board of Directors.

Article 55 If the Chairman is unable to perform or does not perform his duties, the Vice Chairman shall preside (if there are two or more Vice Chairmen, the Vice Chairman elected by a majority of directors shall perform the duties). If the Vice Chairman is also unable to perform or does not perform his duties, a director elected by a majority of directors shall perform these duties.

Article 56 The Chairman should actively promote the formulation and improvement of internal systems within the Company, strengthen the construction of the Board of Directors, ensure the Board meetings operate legally and normally, legally convene,

chair Board meetings, and ensure directors personally attend the Board meetings.

Article 57 The Chairman must comply with the rules of procedures for the Board of submit matters that should be deliberated by the Board for deliberation, and must not in any way restrict or hinder other directors from independently exercising their powers.

The Chairman must strictly adhere to the collective decision-making mechanism of the Board of Directors, not substituting individual opinions for Board decisions, nor influencing other independent decision-making.

Article 58 The Chairman must not engage in actions beyond his authority. When exercising powers within his scope of responsibility (including authorization), if encountering matters that may significantly impact the operations, the Chairman should make prudent decisions and submit them to the Board of Directors for collective decision-making when necessary. The Chairman should also keep all directors informed about the implementation of authorized matters.

Article 59 The Chairman should actively promote the implementation of the Board of Directors resolutions and promptly inform other directors of relevant situations.

If the actual implementation does not align with the content of the Board of Directors resolutions, or if significant risks are discovered during the implementation, the Chairman should promptly convene the Board of Directors for deliberation and take effective measures.

The Chairman should regularly inquire about the implementation of the Board of Directors resolutions from the president and other senior management personnel.

Article 60 The Chairman should ensure that independent directors and the board secretary are informed, create favorable conditions for them to perform their duties, and must not obstruct their lawful exercise of powers in any form.

Article 61 When the Chairman receives reports on significant matters concerning the Company, he should immediately urge the Board Secretary to promptly fulfill disclosure obligations.

## **Chapter IV The Board of Directors**

### **Section 1 General Provisions**

Article 62 The Company shall set up a Board of Directors, which is accountable to the Shareholder Meeting.

Article 63 The Board of Directors consists of nine directors, including three independent directors. There is one Chairman and two Vice Chairmen.

Article 64 The Board of Directors exercises the following powers:

- i. To convene the Shareholder Meeting and report to the Shareholder Meeting;
- ii. To implement the resolutions of the Shareholder Meeting;
- iii. To determine the operational guidelines and investment plans;
- iv. To appoint members of subcommittees;

- v. To review and approve reports from subcommittees unless otherwise provided;
- vi. To formulate the annual financial budget plans and final accounting plans;
- vii. To formulate the profit distribution plans and loss recovery plans;
- viii. To devise plans for increasing or decreasing registered capital, issuing convertible bonds, ordinary bonds, or other financial instruments, and their listing;
- ix. To draft plans for significant acquisitions, share repurchases, mergers, splits, dissolutions, or changes in company form;
- x. To decide within the scope of authorization granted by the *Articles of Association* and the Shareholder s Meeting on the external investments (including venture investments), asset disposals (including sales, purchases, leases, setting up guarantees, and disposal of scrapped assets), signing of major contracts, entrusted financial management, related transactions, implementation and modification of stock incentive plans, and external guarantee matters;
- xi. To draft proposals for changes in the use of raised funds, to be approved by the Shareholder Meeting;
- xii. To draft proposals for major asset sales or purchases, to be approved by the Shareholder Meeting;
- xiii. To draft proposals for external guarantees that require approval by the Shareholder Meeting;
- xiv. To draft proposals for related transactions that require approval by the Shareholder Meeting;
- xv. To decide on the setup of internal management bodies;
- xvi. To hire or dismiss the President, Board Secretary, and, based on the nomination, hire or dismiss Vice President, Chief Financial Officer, and other senior management personnel, and to decide on their compensation and disciplinary actions;
- xvii. To formulate basic management systems;
- xviii. To draft amendments to the Articles of Association;
- xix. To manage information disclosure matters;
- xx. To propose to the Shareholder Meeting the hiring or replacement of the accounting firm auditing the Company;
- xxi. To hear reports from the President on their work and inspect their performance; and
- xxii. Other powers stipulated by laws, regulations, or the *Articles of Association*, or granted by the Shareholder Meeting.

Article 65 The Board of Directors exercises its powers in accordance with the *Company Law*, the *Articles of Association*, and the Rules.

Without the stipulation in the *Articles of Association* or legal authorization by the Board of Directors, no director may act on behalf of the Company or the Board of Directors

in a personal capacity. When a director acts in his own name, if a third party reasonably believes that the director is acting on behalf of the Company or the Board of Directors, the director shall first state his position and the capacity in which he acts.

Article 66 The Board of Directors must explain to the Shareholder Meeting about any audit reports issued by registered accountants with reservations regarding the financial reports.

Article 67 The Board of Directors should establish strict review and decision-making procedures within its authority over investments, asset disposals, contract signings, and external guarantees; for major investment projects, the Board of Directors shall organize relevant experts and professionals to conduct a preliminary review.

Article 68 When disposing of fixed assets, if the anticipated value of the fixed assets to be disposed of, along with the value obtained from disposed assets within the four months prior to the disposal suggestion, exceeds 33 percent of the value of fixed assets shown in the most recent balance sheet reviewed by the Shareholders Meeting, the Board of Directors may not dispose of or agree to dispose of such fixed assets without approval from the Shareholders Meeting.

For the purposes of this Article, the term disposal of fixed assets shall include the transfer of certain asset rights, but does not include providing guarantees with fixed assets.

The validity of transactions whereby the Company disposes of fixed assets shall not be affected by the breach of the first paragraph hereof.

Article 69 If the Board of Directors violates the stipulated authority and procedures in the laws, regulations, or the *Articles of Association* when making decisions on external guarantees, causing losses to the Company or shareholders, directors who participated in the voting shall bear joint and several liability for compensation to the Company or shareholders, except for directors who explicitly expressed disagreement and had their dissent recorded in the minutes.

## Section 2 Convening and Notification of the Board of Directors

Article 70 The Board of Directors holds two regular meetings annually, convened by the Chairman and scheduled every six months. All directors must be notified in writing at least 10 days (excluding the day of the meeting) prior to the meeting.

Article 71 The Chairman must convene an extraordinary meeting of the Board of Directors within 10 working days under any of the following circumstances:

- i. Shareholders representing one-tenth or more voting rights so propose;
- ii. The Chairman considers it is necessary to do so;
- iii. More than one-third of the directors so propose jointly;
- iv. More than half of the independent directors so propose jointly;
- v. The Audit Committee so proposes;
- vi. The President so proposes;

the convening of a Board of Directors meeting.

Article 72 Extraordinary meetings of the Board of Directors are convened by the Chairman and all directors are to be notified three days (excluding the day of the meeting) prior to the meeting.

The notice can be given in writing, by fax, email, personal delivery, SMS, WeChat, instant messaging tools, or other legal methods. If notice is given in a non-written form, all written meeting materials must be delivered to the directors no later than two days from the date of the notice.

~~If the Chairman convenes an extraordinary meeting of the Board of Directors (if there are two~~

Board of Directors office, thoroughly consider, and prepare opinions on each proposal.

### Section 3 Convening of the Board of Directors

Article 78 The Board of Directors meeting shall be held only when more than half of the directors are present, with each director having one vote. In the event of a tie in votes, the Chairman has the casting vote, unless otherwise provided by laws, regulations, securities supervision and management authorities, or stock exchanges where the stocks or GDRs are listed.

Non-director senior management personnel may attend BoD meetings but do not have voting rights.

Article 79 BoD meetings should be attended personally by the directors. If a director

proposals and must be submitted for discussion at the next Board of Directors meeting.

Article 84 The chair of the meeting declares the start of the meeting and then begins to review each proposal in order.

Article 85 Discussion of proposals in BoD meetings may take place in a free speech format, but the order of the meeting must be maintained. Speakers may not use personal attacks or other insulting or threatening language. The chair of the meeting decides the discussion time.

Article 86 The chair of the meeting should verbally inquire whether the directors have finished deliberating on the proposals, and if not, must state it verbally; otherwise, it is considered that the deliberation is complete.

The Board of Directors adopts the rules of concentrated deliberation and sequential voting for proposals, meaning that after all attending directors have finished deliberating on all the proposals, they will vote on each proposal in the order they are discussed.

Article 87 If necessary, the Board of Directors may invite other personnel related to the proposals to attend the meeting, provide information or opinions, but non-Board members do not have voting rights.

Article 88 Directors attending the meeting should deliberate on the proposals responsibly and express their opinions fully; directors are accountable for their votes.

Article 89 Voting in regular and extraordinary meetings of the Board of Directors is conducted by a show of hands. If a director is also representing other directors, votes should be cast separately.

BoD meetings may allow directors to participate in voting via fax or scanning under the premise of ensuring that directors can fully express their opinions. Directors participating in voting via fax or scanning should also sign the Board of Directors resolution document via fax or scanning and later send a signed copy by mail after the meeting.

Article 90 The chair of the meeting should tally and announce the voting results of each proposal on the spot, and the recorder should document the results.

Article 91 When deliberating on related transactions, major asset disposals, significant investment issues, loans, and external guarantees, the Board of Directors must comply

#### Section 4 Resolutions and Meeting Records of the Board of Directors

Article 92 Each proposal becomes a resolution of the Board of Directors once it receives the required number of valid votes, as declared by the chair of the meeting.

A Board of Directors resolution takes effect after being signed by the directors present at the meeting, and cannot be altered or amended unless following legal procedures

Article 93 Directors must sign the Board of Directors resolution and are responsible for its contents.

If a Board of Directors resolution contravenes laws, regulations, stock market supervisory bodies where the

Articles of Association, causing loss to the Company, the directors involved in the resolution are liable for compensation to the Company. However, directors who have explicitly expressed dissent during the vote and have had this recorded in the minutes are exempt from liability.

Article 94 Announcements of Board of Directors resolutions should include:

- i. The time and method of issuing the meeting notice;
- ii. The time, place, and manner of the meeting, and a statement of compliance with
- iii. The number and names of directors who attended in person, by proxy, or are absent, the reasons for absence, and the names of the proxies;
- iv. The number of votes for, against, and abstained for each proposal, including the reasons for any dissent or abstention by directors;
- v. For related transactions, the names of directors who should abstain from voting, reasons, and details of their avoidance;
- vi. If prior approval by the special meeting of independent directors or their opinions are required, details of such approval or the opinions expressed are needed;
- vii. The specific content of the matters discussed and the resolutions made at the meeting.

Article 95 The content of a Board of Directors resolution that violates laws or administrative regulations is invalid. If such resolutions infringe upon the lawful rights

- ii. Name of directors attending the meeting in person and directors (proxy) attending the meeting under the authorization of other persons;
- iii. Meeting agenda;
- iv. Key points of speeches by directors;
- v. Voting method and results of each matter resolved (results shall state the number of votes for or against such matter or the abstention votes).

#### Section 5 Board Secretary

Article 99 The Board of Directors shall establish a position for a Board Secretary. The Board Secretary is a senior management personnel and is responsible to the Board of Directors.

Article 100 The Board Secretary must possess the necessary financial, management, and legal expertise required for the role, along with good professional ethics and personal integrity. They must hold a Board Secretary qualification certificate issued by the Shenzhen Stock Exchange. Individuals in the following circumstances shall not serve as the Board Secretary:

Articles of Association;

- ii. He is under a securities market ban imposed by CSRC (CSRC) and is within the ban period;
- iii. He has been administratively penalized by the CSRC within the last three years;
- iv. He has been publicly censured by the stock exchange or has received three or more notices of criticism within the last three years;
- v. He is in other circumstances deemed inappropriate for serving as the Board Secretary.

Article 101 The Board Secretary is responsible to the Company and the Board of Directors, and performs the following duties:

- i. To manage the information disclosure affairs, coordinating information disclosure activities, organizing and overseeing the management system for information disclosure affairs, and ensuring compliance with information disclosure regulations to guarantee the lawful preparation and submission of reports and documents required by the authorities;
- ii. To manage the investor relations and shareholder information, coordinating communication between the Company and securities regulatory bodies, shareholders, controlling shareholders, securities service institutions, media, etc., ensuring the proper setup of the shareholder register, and ensuring timely access to company records and documents by entitled individuals, except where otherwise stipulated by laws, administrative regulations, or the listing rules of the securities exchanges where the stocks or GDRs are listed;
- iii. To organize and prepare for BoD meetings and Shareholders Meeting, attending these meetings as well as the senior management meetings, responsible for recording BoD meetings and signing to confirm, ensuring the Company has complete organizational documents and records;

iv. To manage the confidentiality of the information disclosures, reporting promptly to the Shenzhen Stock Exchange and announcing when significant information not yet public is leaked;

v. To monitor public media reports and actively verify the facts, urging the Board of Directors to promptly respond to inquiries from the Shenzhen Stock Exchange;

vi. To organize training for directors and senior management on securities laws and regulations and relevant rules of the Shenzhen Stock Exchange, assisting them in understanding their rights and obligations within information disclosure;

vii. To supervise directors and senior management to comply with securities laws, regulations, departmental rules, normative documents, the ChiNext Listing Rules, other

Association, and to fulfill their commitments; when aware of resolutions made or likely to be made by the Company that violate relevant regulations, they should remind and immediately report truthfully to the Shenzhen Stock Exchange; and

viii. Other duties as required by the *Company Law*, *Securities Law*

Article 108 The Board Secretary may be dismissed by the Board of Directors, which should have valid reasons for such dismissal and must not dismiss without cause.

Article 109: If the Board Secretary exhibits any of the following behaviors, the Company must dismiss him within one month from the date the relevant facts occurred:

- i. One of the circumstances specified in Article 100;
- ii. He is unable to perform duties for more than three consecutive months;
- iii. He commits significant errors or omissions while performing duties that result in substantial losses to investors;
- iv. He violates laws, regulations, rules, and the *Company s Articles of Association*, thereby causing substantial losses to investors.

Article 110 Prior to leaving office, the Board Secretary must undergo a departure review conducted by the Board of Directors and, under the supervision of the Audit Committee, hand over relevant files and ongoing or pending matters.

Article 111 During any vacancy in the position of Board Secretary, the Company must promptly appoint a director or senior manager to act as Board Secretary and expedite the selection of a new Board Secretary. Before such an appointment is made, the Chairman will act as the Board Secretary. If the position remains vacant for more than three months, the Chairman shall continue to perform the duties of the Board Secretary until a new one is appointed.

Article 112 The Company shall actively establish and perfect its investor management system, proactively enhancing communication and engagement with shareholders, particularly the public shareholders. The Board Secretary is specifically responsible for managing the investor relations.

## **Chapter V Avoidance System**

Article 113 A director must promptly disclose to the Board of Directors both the nature and extent of any direct or indirect involvement he or any organization he serves has with any existing or planned contracts, transactions, or arrangements with the Company (excluding employment contracts), regardless of whether such matters normally require Board of Directors approval.

Unless the related director discloses their involvement as specified, and the Board of Directors approves the matter without counting that director for quorum and without their participation in the vote, the Company has the right to rescind the contract, transaction, or arrangement, except when dealing with a bona fide third party.

Article 114 A Board of Directors meeting must be convened when the circumstances described in the preceding article occur. The related director should fully disclose the relevant details at the Board of Directors meeting and explicitly state their avoidance from voting.

The Board of Directors meeting deliberates and votes without including the related director in the quorum, and makes the resolution. If the Board of Directors does not

The Board of Directors meeting minutes and resolutions shall document that the related director was not counted in the quorum and did not participate in the voting.

Article 115 If a director notifies the Board of Directors in writing before the Company first considers entering into a contract, transaction, or arrangement, stating that due to the contents of the notification, any future contracts, transactions, or arrangements will be in their interest, within the scope of the notification, the director is deemed to have made the disclosure required by the previous Rules.

Article 116 If a director has a conflict of interest with the business matters under consideration in a Board of Directors resolution, they shall not exercise voting rights on such resolutions, nor may they represent other directors in voting. The meeting of the Board of Directors may be held if more than half of the directors present are non-related directors. Resolutions made at the meeting of the Board of Directors must be subject to approval by more than half of the non-related directors. If there are fewer than three non-related directors attending a meeting of the Board of Directors, the matter shall be submitted to the Shareholders Meeting for deliberation.

## **Chapter VI Supplementary Provisions**

Article 117 Matters concerning the qualifications and powers of independent directors will be addressed separately in the Independent Director Work System of Yangzhou Yangjie Electronic Technology Co., Ltd

Article 118 Matters not covered by the Rules shall be governed by relevant national documents. In case of any inconsistency between the Rules and the Articles of Association, the provisions of the Articles of Association shall prevail.