

PRIMAX ELECTRONICS LTD.
Minutes of 2018 First Extraordinary Shareholders' Meeting
(Translation)

Time: October 25, 2018 (Thursday) 9 a.m.

Venue: 2F., No.24, Sec. 1, Hangzhou S. Road, Zhongzheng District , Taipei City
(GIS MOTC Convention Center)

Present: A total of 366,505,549 shares (including 277,168,940 shares represented by shareholders exercising voting rights electronically) are held by shareholders attending the shareholders' meeting in person or by a proxy, who represent 82.07% of the total number of the Company's outstanding 446,552,324 shares (after deduct the shares as defined in Article 179 of Company Act) .

Present Directors: Li-Sheng Liang, Tze-Ting Yang, Yung-Tai Pan,
Tai-Jau Ku (Independent Director)

Chairman: Li-Sheng Liang, the chairman of the Board of Directors

Recorder: Li-Hsueh Lee

A. Meeting called to order: The total numbers of shares represented by the shareholders present constitute the quorum prescribed by law, hence the Chairman called this meeting to order.

B. Chairperson Remark: (omitted)

C. Discussion

1. (Proposed by the Board)

Proposal : Resolution of amendment to the Company's "Procedures for Acquisition or Disposal of Assets ".

Description:

- (1) It is proposed certain provisions of the Company's " Procedures for Acquisition or Disposal of Assets " shall be amended to align with the amendment to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Company's operational requirements.
- (2) Refer to Schedule 1 for a comparison of the amendments to the " Procedures for Acquisition or Disposal of Assets ".

Resolved: the proposal was approved after voting.

Voting Results : Shares represented at the time of voting : 366,505,539
(Including votes casted electronically: 277,168,940 votes)

Voting Results*		% of the total represented share present
Votes in favor	314,765,197 votes (225,430,000 votes)	85.88%
Votes against	1,070 votes (1,070 votes)	0.00%
Votes invalid	0 votes	0.00%
Votes abstained	51,739,272 votes (51,737,870 votes)	14.11%

*including votes casted electronically (number in brackets)

D. Election

1. (Proposed by the Board)

Proposal : Elect one seat of Independent Director to fill the vacancy.

Description:

- (1) According to the Articles of Incorporation, five to nine directors may be elected (including independent directors). Due to the vacancy of one seat of independent director of the Company, for compliance with corporate governance, it is proposed to elect one independent director. Please refer to Schedule 2 for the candidate’s related information.
- (2) The new appointed independent director shall have a term from October 25, 2018 until May 29, 2021.
- (3) The election shall be conducted according to the Company's "Rules for Election of Directors".

Election Results: The list of the newly elected directors and votes received as follows

Title	Shareholder number or ID number	Name	Votes Received
Independent Director	A110*****	James Wu	316,433,182

E. Extempore Motion: None.

F. The meeting was adjourned at 9:38 a.m.

(The Minutes record the summary of the essential points of the proceedings and the results of the meeting in accordance with Article 183 of Company Act. For more details please refer to the audio and video recording of the meeting.)

PRIMAX ELECTRONICS LTD.

Comparison of Amendments to the
Procedures for Acquisition or Disposal of Assets

Amended Content	Current Content	Reason for Amendment and Explanation
<p>II. Applicability of “Assets”: vi. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with the law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or the transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156, <u>paragraph 8</u> of the Company Act</p>	<p>II. Applicability of “Assets”: vi. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with the law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or the transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156, <u>paragraph 6</u> of the Company Act.</p>	<p>Change of numbering per the constitution amendment.</p>
<p>IV. After the procedures have been approved of by <u>over half of all members of the Audit Committee, they shall be submitted to the board of directors</u> and reported to the shareholders’ meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. They shall take into full consideration each independent director's opinions and if an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. <u>If approval of more than half of all Audit Committee members as aforementioned is not obtained, the procedures may be implemented if they are approved of by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the board of directors meeting minutes..</u></p>	<p>IV. After the procedures have been approved of by <u>the board of directors, they shall be submitted to the Audit Committee</u> and reported to the shareholders’ meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. They shall take into full consideration each independent director's opinions and if an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>Amendment of disposition procedures.</p>
<p>XII. Investment Amounts and Limits i. The aggregated amount of <u>initially invested real property</u> and short-term securities for uses other than business operations shall not exceed 20 percent of the shareholders’ equity according to the most recent fiscal financial statement. <u>Initially invested amount</u> of short-term investments for a single company shall not exceed 5 percent of the shareholders' equity aforementioned. <u>Initially invested amount of the purchase of money market</u></p>	<p>XII. Investment Amounts and Limits i. The aggregated amount of invested real property and short-term securities for uses other than business operations shall not exceed <u>20</u> percent of the shareholders’ equity according to the most recent fiscal financial statement; <u>the amount of short-term investments for a single company shall not exceed 5 percent of the shareholders’ equity aforementioned.</u> This policy also applies to the company’s</p>	<p>1. "Initially invested amount" used in text to calculate limits so that it is in line with actual company practices and doesn't mislead. 2. I In terms of short-term investments, money market funds are low-risk investments, and can be provided short-term investment</p>

Amended Content	Current Content	Reason for Amendment and Explanation
<p><u>funds shall not exceed 50 percent of shareholders' equity as aforementioned.</u> This policy also applies to the company's subsidiaries. <u>If a subsidiary's invested amount exceeds the limit, it can be excluded from this policy following the company's board of directors' approval and subsequent ratification of the approval.</u></p> <p>ii. The aggregated amount of <u>initially</u> invested securities by the company shall not exceed <u>150 percent</u> of the shareholders' equity according to the most recent fiscal financial statement certified by the public accountant. However, the <u>initially invested</u> amount of long-term joint venture for a single company is limited to 80 percent of the shareholders' equity aforementioned. "Regulations Governing the Preparation of Financial Reports by Securities Issuers" shall apply to related parties and subsidiaries.</p>	<p>subsidiaries.</p> <p>ii. The aggregated amount of invested securities by the company shall not exceed the shareholders' equity according to the most recent fiscal financial statement certified by the public accountant. However, the amount of long-term joint venture for a single company is limited to 80 percent of the shareholders' equity aforementioned. "Regulations Governing the Preparation of Financial Reports by Securities Issuers" shall apply to related parties and subsidiaries.</p>	<p>parking, hence the separate calculation of its limit.^[1]</p> <p>3. Request for amendment made after taking into account the company's future operational developments and little space is left for investments.^[2]</p> <p>4. As company subsidiaries vary in scale and actual operational needs, the exclusion of exceeded amounts can be allowed if granted approval from the board of directors based on the subsidiary's actual needs for operational purposes. This is also necessary in the management and supervision of company subsidiaries.</p>
<p>XIII. Basis of Review</p> <p>.....a related party, in addition to ensuring that the necessary resolutions from the previous segment and the present one are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in compliance with the provisions of the preceding segment. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with (ii) of article IIX herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship <u>shall</u> also be considered.</p> <p>Regulations regarding 10 percent of total assets mentioned herein shall be based on the total assets amount of the company's most recent fiscal financial report that is in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>XIII. Basis of Review</p> <p>.....a related party, in addition to ensuring that the necessary resolutions from the previous segment and the present one are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in compliance with the provisions of the preceding segment. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with (ii) of article IIX herein.</p> <p>When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship <u>shall</u> also be considered.</p> <p>Regulations regarding 10 percent of total assets mentioned herein shall be based on the total assets amount of the company's <u>or the individual's</u> most recent fiscal financial report that is in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>Per the constitution amendment. Removal of redundant wording.</p>
<p>XIV. Appraisal Procedures</p> <p>When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party</p>	<p>XIV. Appraisal Procedures</p> <p>When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party</p>	<p>Per the constitution amendment. Amendment of appraisal procedures.</p>

Amended Content	Current Content	Reason for Amendment and Explanation
<p>and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription <u>repurchase of money market funds issued by domestic securities investment trust enterprises</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been <u>submitted to the Audit Committee with approval from over half of all committee members, followed by approval from the board of directors</u>:</p> <p>.....</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with (ii) of article IXXX herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>submitted to the Audit Committee with approval from the board of directors</u> need not be counted toward the transaction amount.</p> <p>.....</p>	<p>and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>redemption of domestic money market funds</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been <u>approved by the board of directors and recognized by the Audit Committee</u>:</p> <p>.....</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with (ii) of article IXXX herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been <u>approved by the board of directors and recognized by the Audit Committee</u> need not be counted toward the transaction amount.</p> <p>.....</p>	
<p>XXIII. When the company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, it shall engage a certified public account, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. <u>However, when the company participates in a merger of any subsidiary of which it owns 100 percent direct or indirect issued stocks or capital sum, or when the company participates in a merger of its subsidiaries of which the company owns 100 percent direct or indirect issued stocks or capital sum, it needs not obtain the opinion from the aforementioned experts on the reasonableness of such an event.</u></p>	<p>XXIII. When the company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, it shall engage a certified public account, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.</p>	<p>Per the constitution amendment.</p>
<p>XXV. When the company participates in a merger, demerger, or acquisition it shall convene a board of directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition. <u>When participating in the transfer of shares, unless another act provides otherwise or the governing body is notified in advance of extraordinary circumstances and grants consent, the company shall convene a board of directors meetings on the day of the transaction.</u></p>	<p>XXV. When the company participates in a merger, demerger, or acquisition it shall convene a board of directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p>	<p>"FSC" replaced by "governing body" for more flexibility. The addition of exemptions regulated by the law, or those already reported to the governing body.</p>

Amended Content	Current Content	Reason for Amendment and Explanation
<p>XXIX. Announce and Report Procedures:</p> <p>i. Under any of the following circumstances, upon acquiring or disposing of assets the company shall publicly announce and report the relevant information on the governing body's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>repurchase of money market funds issued by domestic securities investment trust enterprises.</u></p> <p>.....</p> <p><u>4. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u></p> <p><u>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</u></p> <p>6. Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China region reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of government bonds. (2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds.</p> <p>.....</p> <p>v. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all</p>	<p>XXIX. Announce and Report Procedures:</p> <p>i. Under any of the following circumstances, upon acquiring or disposing of assets the company shall publicly announce and report the relevant information on the governing body's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or <u>redemption of domestic money market funds.</u></p> <p>.....</p> <p>4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China region reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of government bonds. (2) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds. (3) <u>Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</u> (4) <u>Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million.</u></p> <p>.....</p> <p>v. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all</p>	<p>Per the constitution amendment. Rearrangement of the order of the current articles from article 4 paragraph 3 to article 4, article 4 paragraph 4 to article 5, and the remaining paragraph of article 4 to article 6.</p>

Amended Content	Current Content	Reason for Amendment and Explanation
<p>the items shall be again publicly announced and reported in their entirety <u>within 2 days of the date of notice of such amendments to content.</u></p> <p>.....</p>	<p>the items shall be again publicly announced and reported in their entirety.</p> <p>.....</p>	
<p>XXXI. Control of Acquisition or Disposal of Assets by Subsidiaries</p> <p>i. The company's subsidiaries shall also establish and execute "Standard Operating Procedures for Acquisition or Disposal of Assets" in accordance with regulations of the governing body, obtain approval from the board of directors. This also applies to amendments of the standard operating procedures.</p> <p>ii. Assets acquired or disposed by subsidiaries shall be conducted in accordance with the separate "Control System" and "Standard Operating Procedures for Acquisition or Disposal of Assets". The company shall compile monthly reports on the status of individual or accumulated acquired or disposed assets trading or transactions of similar nature reaching NT\$10 million or more of the preceding month and the status of derivatives trading up to the end of the previous month, and report to the company in written form on the 5th day of each month. The company's auditors shall list subsidiaries' acquired or disposed asset matters as monthly auditing items and the status of the audit shall be reported to <u>the Audit Committee and the board of directors.</u></p> <p>.....</p>	<p>XXXI. Control of Acquisition or Disposal of Assets by Subsidiaries</p> <p>i. The company's subsidiaries shall also establish and execute "Standard Operating Procedures for Acquisition or Disposal of Assets" in accordance with regulations of the governing body, obtain approval from the board of directors, <u>and submit it to the Audit Committee and report to the shareholders' meeting for resolution.</u> This also applies to amendments of the standard operating procedures.</p> <p>ii. Assets acquired or disposed by subsidiaries shall be conducted in accordance with the separate "Control System" and "Standard Operating Procedures for Acquisition or Disposal of Assets". The company shall compile monthly reports on the status of individual or accumulated acquired or disposed assets trading or transactions of similar nature reaching NT\$10 million or more of the preceding month and the status of derivatives trading up to the end of the previous month, and report to the company in written form on the 5th day of each month. The company's auditors shall list subsidiaries' acquired or disposed asset matters as monthly auditing items and the status of the audit shall be reported to <u>the board of directors and the Audit Committee.</u></p> <p>.....</p>	Amendment of procedures
<p>XXXIV. This corporate document was created on 200811/7.</p> <p>.....</p> <p><u>Sixth-time amendments were made on 2018/10/25.</u></p>	<p>XXXIV. This corporate document was created on 200811/7.</p> <p>.....</p> <p>Fifth-time amendments were made on 2015/6/29</p>	The addition of the date of the most recent amendments.

Note 1:

Money market funds purchased by the company shall in principle meet all the criteria of the company's credit evaluation, funding scale requirements and guarantee the principle. Information on the aforementioned operations shall be made public per the company's acquisition or disposal of assets procedures.

Note 2:

1. The company's individual shareholders' equity amounted to NT\$ 10.72 billion for the 2nd quarter (abbreviated as Q2 hereinafter) of 2018; the aggregated amount of initially invested securities was NT\$ 9.15 billion, and the amount of those that contributed to the core business revenues and profits of the company was NT\$ 8.78 billion, including Primax Electronics Ltd's Chinese and overseas subsidiaries which amounted at NT\$ 3.485 billion; NT\$ 3.867 billion for audio businesses ("Tymphony ") and NT\$ 1.43 billion for automotive electronics business ("AIC"). (Refer to consolidated financial reports for Q2 2018.)

2. Based on the major investment records made by the company since IPO in 2012 and peer group benchmarking, the limit of the aggregate amount of invested securities is proposed to revise from 100 percent to 150 percent of the shareholders' equity.

- (1) Invested amount in "Tymphany" in 2014 was USD 84 million (approximately 23.5% of Primax shareholders' equity for Q2 2018);
- (2) Invested amount in "AIC " (Originally "Belfast") in 2017 was USD 48.1 million (approximately 13.5% of Primax shareholders' equity for Q2 2018);
- (3) Invested amount in "Tymphany" in 2018 increased by USD 45 million (approximately 12.6% of Primax shareholders' equity for Q2 2018);
- (4) Peer group benchmarking of the limit of the aggregate amount of invested securities for reference as shown below:

Company Name	Limits for Invested Amount in Marketable Securities
ASE GROUP	The total amount invested in securities by the relevant company shall not exceed 300% of such company's net worth shown in its Latest Financial Statements.
WPG HOLDING CO LTD	The limits for the acquisitions of the above assets for this Company and each of its Subsidiary shall be as follows: (1) For real estate not for operational uses, the total amount shall not be more than 30% of their net values; (2) Total amount of investment in long-term and short-term Securities shall not exceed 300% of the net value.
WISTRON CORPORATION	Total investment in securities shall not exceed 200% of the equity attributable to owners of the Company as the most recent financial report audited or reviewed by the accountant.
LITE-ON CORPORATION	Company's invested amount does not go over 150 percent of the company's net value

List of Independent Director Candidate

Title	Name of Candidate	Education	Experience	Current Position	Shares
Independent Director	James Wu	MBA, University of Missouri	<ul style="list-style-type: none"> ● Deutsche Bank, Country Head Taiwan ● Citibank Corp & Investment Banking ,Vice Chairman ● Fidelity Investments, Country Head Taiwan ● Bankers Trust Bank, Country Head Japan ● Bankers Trust Bank, Derivatives Trading, Managing Director, New York ● Chase Manhattan Bank, Corp & Commercial Banking, Vice President, Hong Kong / Taiwan 	Far Eastern International Bank/ Director	0

Addendum :

1. Nomination Policy and Process: Directors (including independent director) shall be elected pursuant to the candidate nomination system as specified in the Articles of Incorporation of the Company. The Nomination Committee undertakes a review of the qualification of candidates and submits a candidate list for elections to the Board. In accordance with the Corporate Governance Best Practice Principles of the Company, when reviewing the qualification of candidates, the Nomination Committee shall take into account the operation requirements as well as the diversity of Board Directors, such as the background, work experience, gender, knowledge, and skills.

2. The overall capacity and diversity of candidate for independent director :

Title	Name	Gender	Age	Meet the Independence Criteria	Hold a position with the Company	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions	Number of other public companies in which the individual is concurrently serving
Independent Director	James Wu	Male	61~70	V		V	V	V	V	V	V	V	V	1