

# Advanced Ceramic X Corporation

## Rules for Election of Directors

### **Article 1**

Except as otherwise provided by law and Articles of Incorporation, the company elections of directors shall be conducted in accordance with these Rules.

### **Article 2**

Election of directors of the Company shall be held at the shareholders' meeting. The Company shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

### **Article 3**

The Company directors shall be elected by adopting the candidate nomination system specified in Article 192-1 of the Company Act.

### **Article 4**

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The election of independent and non-independent directors shall held together, but the numbers of independent and non-independent directors elected shall be calculated separately.

### **Article 5**

The number of directors will be as specified in the company's Articles of Incorporation; those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

### **Article 6**

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.

### **Article 7**

The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

### **Article 8**

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.

4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

**Article 9**

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on the site.

**Article 10**

These Rules and any amendments hereto shall be implemented after approval by a shareholders meeting.