

NAN	PAO	Nan Pao Resins Chemical Co., Ltd.	Issue No.	
Edition	4.1	Rules of Procedure for Board of Directors Meetings	Issued on	
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1. Purpose: The Rules are formulated to develop a good governance system, supervision function, and management mechanism of the Company's Board of Directors. The Rules are formulated in accordance with Paragraph 8, Article 26-3 of the Taiwan Securities Exchange Act and the "Regulations Governing Procedure for Board of Directors Meetings of Public."
2. Scope: The meeting policy of the Company's Board of Directors, the meetings' main agendas, procedures, particulars to be specified in the minutes of meetings, public announcements, and other compliance matters shall be handled in accordance with the requirements of the Rules.
3. Definition: None.
4. Authority and Responsibility: None.
5. Content:
 - 5.1. The Company's Board meetings shall be convened at least once every quarter in accordance with the Articles of Association.
 - 5.1.1. A notice specifying the reason for convening a Board meeting shall be sent to all directors seven days before the scheduled meeting day. However, a Board meeting may be convened on short notice in the event of emergency. Upon the consent of each Director, such notice may be sent in electronic form.
 - 5.1.2. The matters described under 5.5. of the Rules shall be set out in the meeting notice and may not be raised by an extraordinary motion, except in an emergency or for good reason.
 - 5.2. The time and place at which each of the Company's Board meetings is convened shall be convenient for directors' attendance and shall be a suitable time and place for holding a Board meeting.
 - 5.3. The Company's accounting and finance unit is designated to handle the administrative matters related to the Company's Board meetings.
 - 5.3.1. The designated unit is responsible for drafting the agenda for the Board meeting and preparing sufficient meeting materials to be mailed with the meeting notice.
 - 5.3.2. Where a director finds the meeting materials insufficient, he or she may ask the designated unit to provide additional information. If a director believes the agenda information is incomplete, discussion of the matters may be postponed upon approval of the Board.
 - 5.4. The agenda for the Company's regular Board meetings shall include at least the following matters:
 - 5.4.1. Matters to be reported:
 - (1) Minutes of the proceedings of the previous meeting and status of implementation.
 - (2) Important financial and business reports.
 - (3) Internal audit reports.
 - (4) Other important reports.
 - 5.4.2. Matters for discussion:
 - (1) Matters reserved for further discussion from the previous meeting.
 - (2) Matters to be discussed during the meeting.
 - 5.4.3. Extraordinary Motions.

Approved by	Wu, Cheng-Hsien	Reviewed by	Lin, Kun-Chin	Drafted by	Huang, Li-Jung
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5.5. The following matters shall be raised at the Company's Board meeting for discussion:

5.5.1. The Company's business plan.

5.5.2. Annual financial report and semi-annual financial report, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant.

5.5.3. The internal control system established or amended in accordance with the provisions under Article 14-1 of the Taiwan Securities and Exchange Act (hereinafter as the "Taiwan SEA").

5.5.4. Establishing or amending, in accordance with the provisions under Article 36-1 of the Taiwan SEA, procedures for handling important financial and business activities such as the acquisition or disposition of assets, derivatives transactions, lending of capital, endorsements for third parties, and provision of guarantees.

5.5.5. Offering, issue or private placement of equity securities.

5.5.6. Appointment and/or dismissal of financial, accounting, or internal audit officers.

5.5.7. A donation to a related party or a substantial donation to a non-related party. However, that a public-interest donation is for the purpose of relieving a large-scale natural disaster, it may be submitted to the next Board meeting for ratification.

5.5.8. Matters to be resolved at the general meeting or by the Board meeting under Article 14-3 of the Taiwan SEA or other laws and regulations, or other important matters required by the competent Taiwan authority.

The term "related party" as referred to in 5.5.7. of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "substantial donation to a non-related party" means any donation or a series of donations within a one-year period to a single recipient that, on an individual basis or cumulatively, amount to NT\$ 100 million or more, or reach 1 percent of the net operating revenue or 5 percent of the paid-in capital as stated in the audited financial reports for the most recent fiscal year.

The term "within a one-year period" in the preceding paragraph means a period of one year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempt from inclusion in the calculation.

At least one independent director shall attend in person any meeting of the Board. With respect to a matter prescribed in Paragraph 1 that must be approved by resolution at a Board meeting, all independent directors shall attend the meeting in person or appoint another independent director to attend the meeting as a proxy. Any objection or reservation that an independent director may have shall be specified in the minutes of proceedings of the Board meeting. If an independent director wishing to express his or her objection or reservation is unable to attend the Board meeting in person, he or she shall provide a written statement providing his view and opinions on the relevant matters for consideration at the Board meeting and his/her statement shall be included in the minutes of the Board meeting, unless there is some legitimate reason to do otherwise.

5.6. Apart from matters referred to in 5.5., when the Board of Directors delegates any exercise of its powers pursuant to laws or regulations or the Company's articles of incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out.

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- 5.6.1. Check the Company's accounting system, financial status, and financial reporting procedures.
- 5.6.2. Examine and verify the procedures for handling major financial business activities such as obtaining or disposing of assets, loan and endorsements/guarantees.
- 5.6.3. Communicate with certified public accountants of the Company.
- 5.6.4. Assess internal audit personnel and their work.
- 5.6.5. Assess the internal control of the company.
- 5.6.6. Assess, examine, and oversee existing or potential risks in the Company.
- 5.6.7. Check the compliance of the Company with laws and regulations.
- 5.6.8. Review the transaction involving conflicts of interest between directors and the exercise of voting rights mentioned in the Article 32 of the Code of Practice for Corporate Governance of Listed Companies, especially the transactions of major related parties, the acquisition or disposal of assets, the loan of funds, and the endorsements/guarantees, and establish investment companies for the purpose of investment.
- 5.6.9. Evaluate the qualifications of certified public accountants and nominate suitable candidates.
- 5.7. When a meeting of the Board of Directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.
 - 5.7.1. All Board Directors shall attend Board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's articles of incorporation, appoint another director to attend as their proxy. Attendance via teleconferencing is deemed as attendance in person.
 - 5.7.2. When a proxy attends the Board meeting for a Director, a letter of authorization shall be presented. The scope of responsibilities and obligations based on the purpose of the meeting shall be stated in the letter.
 - 5.7.3. A director's proxy as described in the second paragraph may act as a proxy for only one director.
- 5.8. Meetings of the Board of Directors be chaired by the chairperson of the Board. However, the first meeting of each newly elected Board shall be called and chaired by the director who receives votes representing the largest portion of voting rights at the Shareholders' Meeting in which the directors are elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting. In the event that the chairperson of the Board is unable to exercise his or her duties during his or her absence or for cause, the chairperson shall appoint a director to act in his or her stead. In the absence of such appointment, the chairperson of the meeting shall be elected by the directors from among themselves.
- 5.9. Upon convening the Company's Board meeting, the unit appointed by the Board shall prepare relevant information readily available to directors present at the meeting for reference. Upon convening a Board meeting, personnel of the relevant departments or subsidiaries may be asked to attend the meeting as guests depending on the details of the meeting agenda. If necessary, certified public accountants, attorneys, or other professionals may be invited to attend the meeting as guests and to make explanatory statements. However, they shall leave the meeting when discussion or voting takes place.

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- 5.10. A meeting shall be called to order by the chairperson of the Board meeting when the scheduled meeting time has arrived and the majority of the directors are present. If the majority of the directors are not present at the scheduled commencement time of the meeting, the chairperson of the meeting may announce the postponement of the meeting no more than twice, and the total postponed time shall not exceed one hour. If a quorum has not been reached after the second postponement, the chairperson may convene a new meeting in accordance with the procedure under 5.1.1. of the Rules. For purpose of the preceding paragraph, "all directors" shall refer to the directors actually in the office at the given time.
- 5.11. The Board of Directors shall conduct proceedings as scheduled in accordance with the notice of the meeting
- 5.11.1. Based on the agenda items and the extempore motions scheduled in the preceding paragraphs, the chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.
- 5.11.2. If at any time during the proceeding of a Board of Directors meeting, the directors sitting in the meeting are not more than half of the directors, then upon suggestion by the directors sitting in the meeting, the chair shall announce a suspension of meeting and proceed according to the preceding provisions.
- 5.12. The chairperson may declare an end to discussion of a proposal in the agenda if he or she deems the proposal in discussion is ready for a vote and may then have the proposal voted on.
- 5.12.1. When the directors are deliberating a resolution to be adopted in a meeting of the Board, the resolution shall be deemed approved and voted on by the Board if all directors present at the meeting consent to the passing of such resolution without raising any objection when the chairperson puts forward the relevant resolutions for approval. If, upon the chairperson proposing the relevant resolution for approval, a director states his or her dissent, the resolution shall be voted on in the manner set out below.
- 5.12.2. Formal votes may be cast in one of the following manners as determined by the chairperson; however, when a person present at the meeting voices his or her objection, the decision shall be made according to a majority vote:
- (1) Vote by show of hands or by voting machine.
 - (2) Roll-call vote.
 - (3) Vote by ballots.
 - (4) Any other voting method as determined by the Board.
- 5.12.3. If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel; however, all monitoring personnel shall be directors.
- 5.12.4. Results of the votes shall be announced on site immediately and recorded.
- 5.13. Unless a higher approval threshold is required under the Taiwan SEA and the Taiwan Company Law, a proposal to be resolved at the Company's Board meeting shall be approved by consent of a majority of the directors present at the meeting attended by a majority of all directors. In the case of an amendment or substitute to a proposal and to the extent that is permissible under applicable laws, the chairperson shall decide on the order of voting by combining the amendment or substitute with the same proposal. However, if one of the proposals has been approved, the others shall be deemed over-ruled and no further vote is required.

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5.14. For any proposal in which a director or the judicial person he or she represents is an interested party, the director shall explain the important aspects of his/her interest relationship at the Board meeting. When his/her interest is likely to compromise the interest of the Company, the director shall not participate in the discussion and voting on the proposal, and the director shall abstain him or herself from discussion and voting on the proposal and cannot exercise the voting right for and on behalf of another director.

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

5.14.1. Paragraph 4, Article 206 of the Company Law, under which the provisions under Paragraph 2, Article 180 of the same law may apply, shall apply to directors who may not exercise their voting rights in the process of resolving a proposal at the Company's Board meeting as provided in the preceding two paragraphs.

5.15. Proceedings of the Company's Board meetings shall be recorded in the meeting minutes, which shall specify the following matters in detail:

5.15.1. Term (or year) of the meeting, and time and place.

5.15.2. Chairperson's name.

5.15.3. Attendance of directors, including names and numbers of directors who are present at the meeting, on leave or absent from the meeting.

5.15.4. Names and titles of the guests at the meeting.

5.15.5. Name of the secretary of the meeting.

5.15.6. Matters to be reported.

5.15.7. Matters for discussion: How a proposal is resolved and the result, summary of a statement by directors, experts, and other persons, objections and/or reservations with records or written statements, and written opinions issued by independent directors in accordance with the provisions under Paragraph 2, Article 12 of the Rules.

5.15.8. Extraordinary motion: Name of the person submitting a proposal, how a proposal is resolved and the result, summary statement by directors, experts, and other persons, and objections and/or reservations with records or written statements.

5.15.9. Other matters to be included.

(1) If either of the following happens to the resolution of the Board meeting, the fact shall be specified in the meeting minutes and be published and reported on the Market Observation Post System designated by the Taiwan Financial Supervisory Commission within two days of the Board meeting:

A. There is opposition or reservation by an independent director with a record or written statement.

B. The Audit Committee of the Company does not approve any matter but the Board of Directors approves the matter with the votes of at least two-thirds of all of the Directors.

(2) The Board meeting attendance book is part of the minutes of the proceedings and shall be properly kept during the existence of the Company.

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(3) Minutes of the proceedings shall be signed or sealed by the chairperson and the secretary of the meeting, and copies thereof shall be distributed to all directors within twenty days of the meeting. The minutes shall be deemed important files of the Company and be properly kept during the existence of the Company.

(4) Preparation and distribution of the minutes of the proceedings may be done electronically.

5.16. The Company shall keep audio or video board meetings records and store them for at least five years. The records can be stored in electronic format.

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

5.16.2. If the meeting is held via teleconferencing, the audio and video recordings also constitute part of the meeting minutes and shall be properly kept during the existence of the Company.

5.17. The Company's Managing Directors' meeting is subject to the provisions of 5.1., 5.2.~ 5.4., 5.7. and 5.9.~5.16. 5.18. The Rules and any amendment hereto are implemented after the approval of the Board of Directors and reported in the Shareholders' Meeting.

6. Related Document:

6.1. Board of Directors attendance book.

6.2. Board of Directors meeting minutes.

7. Reference Document: None.

8. Amendment Record:

8.1. Edition 2.0 approved and issued by the Board of Directors on May 16, 2014

8.2. Edition 3.0 approved and issued by the Board of Directors on April 5, 2017

8.3. Edition 4.0 approved and issued by the Board of Directors on October 17, 2017, and implemented after the resolution of the provisional Shareholders' Meeting on December 12, 2017.

8.4. Edition 4.1 approved by the Board of Directors on March 25, 2021, and implemented after the approval of the resolution of the general Shareholders' Meeting on June 17, 2021.