

NAN	PAO	Nan Pao Resins Chemical Co., Ltd.	Issue No.	
Edition	2.3	Regulations Governing Prevention of Insider Trading and Handling Material Inside Information	Issued on	
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1. Purpose: These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by this Corporation, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public.
2. Scope: This Corporation shall implement its handling and disclosure of material inside information in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market, and these Procedures.
3. Applicable objects :
The applicable objects of this operating procedure include:
 - 3.1. A director, and/or a managerial officer of the Company, and/or a natural person designated to exercise powers as representative pursuant to Article 27, paragraph 1 of the Company Act.
 - 3.2. Shareholders who hold more than ten percent of the shares of the Company.
 - 3.3. Any person who has learned the information by reason of occupational or controlling relationship.
 - 3.4. A person who, though no longer among those listed in one of the preceding three subparagraphs, has only lost such status within the last six months.
 - 3.5. Any person who has learned the information from any of the persons named in the preceding four subparagraphs.
 - 3.6. A director, and/or a managerial officer of the Company or shareholders who hold more than 10% include the shares held in the name of their spouses, minor children, and other holders.
4. Authority and Responsibility:
 - 4.1. The company's stock affairs unit is responsible for the formulation and editing of this operating procedure.
 - 4.2. The spokesperson or acting spokesperson of the company is responsible for releasing major company information to the outside world.
5. Content:
 - 5.1. Definition of insider trading
 - 5.1.1. According to the Article 157-1, paragraph 1 of the Securities Exchange Act, insider trading specification object who knowing any information that will have a material impact on the price of the securities after the information is made definite, and prior to the public disclosure of such information, within 18 hours after its public disclosure not to purchase or sell shares of the Company that are listed on an exchange or an over-the-counter market.
 - 5.1.2. When actually knowing the news of the issuing company that has a significant impact on its ability to pay the principal and interest, after the news is clear, before or within 18 hours after it is made public, the company shall not be listed or traded at the business premises of a securities firm The non-equity corporate bonds are sold by themselves or in the name of others.
 - 5.1.3. Violation of the above-mentioned regulations constitutes insider trading.

Approved by	Wu, Cheng-Hsien	Reviewed by	Lin, Kun-Chin	Drafted by	Lee, Chih-Yun
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5.2. According to the item 5 of Article 157 of the Securities Exchange Act, The information that will have a material impact on the price of the securities includes :

5.2.1. Information relating to the finances or businesses of the Company, the specific content of which will have a material impact on the price of the securities, or will have a material impact on the investment decision of a reasonably prudent investor, referring to one of the following information:

- (1) Matters specified in Article 7 of the Securities Exchange Act
- (2) Where the Company handles major public offerings or private equity securities, capital reduction, mergers, acquisitions, divisions, share exchanges, conversions or transfers, investment plans directly or indirectly, or there is a major change in the matters previously mentioned
- (3) Where the Company goes through reorganization, bankruptcy, dissolution, or applies for the termination of the listing of stocks or terminates trading in the business premises of a securities firm, or there is a major change in the matters previously mentioned
- (4) Where the Board of Directors is unable to exercise their functions and powers due to the provisional injunction ruling of discontinuing the exercise of their function authority, or the independent directors of the Company are all dismissed
- (5) Where the occurrence of disasters, collective protests, strikes, environmental pollution, or other major events results in major damage to the Company, or by order of the relevant authorities to shut down, suspend, close, abolish, or revoke the relevant license
- (6) The Company's related party or the principal debtor or its associated guarantor encounters dishonored check, filing for bankruptcy, reorganization, or other similar material circumstances; the Company's endorsement or the principal debtor of the guarantee is unable to pay the due bill, loan, or other debts.
- (7) The Company experiences significant internal control fraud, unconventional transactions, or short-selling assets.
- (8) The Company discontinues all or part of its business dealings with major customers or suppliers.
- (9) The Company's financial report has one of the following conditions:
 - a. The applicant has not been announced in accordance with the provisions of Article 36 of this Securities Exchange Act.
 - b. Any error or omission in the preparation of the financial report shall be corrected and re-edited as stipulated in Article 6 of the Rules for Implementation of the Securities Exchange Act.
 - c. Where an accountant issues an audit or review report other than an unqualified opinion or a modified unqualified opinion. However, the loss may be amortized annually according to the law, or regarding the financial report of the first, second, and third quarter, if the calculation of long-term equity investment amount and profit and loss is based on the calculation of the statement of the invested company which has not been audited or reviewed by the accountant, and the report with an unqualified opinion issued by the certified accountant is not subject to this restriction.
 - d. The accountant issues an audit or review report with significant doubts about the assumptions of continuing business operations.

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- (10) Where the disclosed financial forecast is significantly different from the actual number or the updated (positive) financial forecast is significantly different from the original number.
- (11) Where the Company's operating profit or loss or pre-tax profit and loss has significant changes compared with the same period of last year, or has significant changes compared with the previous period and is not affected by seasonal factors.
- (12) Where the Company has the following accounting transactions, which do not affect the current profit and loss, resulting in major changes in the net value of the current period:
 - a. Handling asset revaluation.
 - b. Final evaluation of financial commodity.
 - c. Foreign currency conversion adjustment.
 - d. Financial commodity handled with hedge accounting.
 - e. Net loss not recognized as pension cost.
- (13) Where the fund raising plan for repaying corporate bonds cannot be reached.
- (14) Where the Company repurchases the share of the Company.
- (15) Where the Company acquires or stops acquiring publicly the securities issued by the public issuing companies.
- (16) Where the Company obtains or disposes of significant assets.
- (17) Where the Company issues overseas securities and a material event occurs which shall be immediately announced or declared in accordance with the law and regulations of the government of the country where the Company is listed and the regulations of the securities trading market.
- (18) Other financial and business matters involving the Company that have a significant impact on the Company's stock price or the investment decisions of legitimate investors.

5.2.2. The market supply and demand of such securities on the market, or tender offer of such securities involved that have a significant impact on its stock price or on the investment decisions of legitimate investors, refer to one of the following:

- (1) Where the public acquisition of the securities that are traded in the security exchange market or over-the-counter markets are made or suspended.
- (2) There are material changes in the equity of the Company or its controlling companies.
- (3) Where the securities purchased or sold in the security exchange market or over-the-counter markets are subject to tender, auction, major breach of contract, change of original trading methods, suspension of trading, restriction of trading, or termination of trading.
- (4) Where the person who conducts the search according to law executes the search at the Company, its controlling companies or important subsidiary companies which comply with item 2 of regulation 2-1 of the financial statement certified by the accountant.
- (5) Other market supply and demand of the securities involved that have a significant impact on the stock price or on the investment decisions of legitimate investors.

5.3. Information that has a significant impact on stock prices shall be disclosed in accordance with the "Administrative Regulations on the Scope of Material Information and its Disclosure Method in Subparagraphs 5 and 6 of Article 157 of the Securities and Exchange Act" as follows:

- 5.3.1. For material information involving the company's financial and business aspects, the method of disclosure refers to the input of the public information observatory through the company;

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5.3.2. For major news involving market supply and demand, the method of public disclosure refers to the company's input of public information observation stations, basic market conditions reports, and non-local pages of two or more newspapers that are distributed throughout the country every day, national TV news or pre-opening. Electronic newspaper reports issued by the media.

5.4. Definition of material inside information

5.4.1. The scope of material internal information referred to in this operating procedure is as follows:

- (1) Article 36-1 of the Securities and Exchange Act authorizes the formulation of matters that should be announced or reported under the relevant sub-laws.
- (2) Matters defined in the scope of material news and the manner in which it is disclosed under Article 157-1 of the Securities and Exchange Act.
- (3) Matters that have a significant impact on shareholders' rights and interests or securities prices as stipulated in Article 7 of the Implementing Rules of the Securities and Exchange Law.
- (4) Significant information as specified by the Taiwan Stock Exchange Corporation for the verification and disclosure of material information of listed companies in securities.

5.5. Responsible unit in charge of the handling of material inside information

5.5.1. The company's stock business unit serves as the dedicated unit for handling internal material information, and is composed of an adequate number of competent members. The unit shall have the following functions and authorities:

- (1) Responsibility for formulating the drafts of these Procedures and any amendments to them.
- (2) Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
- (3) Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
- (4) Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to these Procedures.
- (5) Responsible for educating and publicizing relevant laws and regulations on insider trading prevention for directors, managers and employees.
- (6) Other activities related to these Procedures.

5.6. Evaluation procedures for internal material information

Major decisions made by the company or occurrence of important events are in compliance with Taiwan Stock Exchange's regulations on verification and public handling of major information on listed companies with securities. The responsible unit should fill in the "Material Information Release Application Form" (relevant Attachment 6.1.) and the "Material Information Evaluation Checklist" (relevant Attachment 6.2.) on the day when the fact occurs, and send them to the company's major information unit for review and review , and then send it to the spokesperson of the company for review. And before the release time limit stipulated by the law, major information will be released after the approval of the CEO and the chairman of the board.

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5.7. Operating Procedures for Confidentiality of Internal Material Information

5.7.1. Confidentiality firewall operations – Personnel:

This Corporation's directors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements.

No director, managerial officer, or employee with knowledge of material inside information of this Corporation may divulge the information to others.

No director, managerial officer, or employee of this Corporation may inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.

5.7.2. Confidentiality firewall operations - Documents and information:

Proper protection of confidentiality shall be given to files and documents containing this Corporation's material inside information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology such as encryption or electronic signatures.

Files and documents containing this Corporation's material inside information shall be backed up and stored in a secure location.

5.7.3. Operation of confidentiality firewalls

This Corporation shall ensure that the firewalls specified in the preceding two articles are established, and take the following additional steps:

- (1) Adopt adequate control measures for the firewalls and perform periodic testing.
- (2) Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of this Corporation.

5.7.4. Confidentiality obligations of outside organizations and persons

Any organization or person outside of this Corporation that is involved in any corporate action of this Corporation relating to a merger or acquisition, major memorandum of understanding, strategic alliance, other business partnership plans, or the signing of a major contract shall be required to sign a confidentiality agreement, and may not disclose to another party any material inside information of this Corporation's thus acquired.

5.8. Handling Procedures for Disclosure of Internal Material Information

5.8.1. Principles of disclosure of material inside information

This Corporation shall comply with the following principles when making external disclosures of material inside information:

- (1) The information disclosed shall be accurate, complete, and timely.
- (2) There shall be a well-founded basis for the information disclosure.
- (3) The information shall be disclosed fairly.

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5.8.2. Implementation of the spokesperson system

Any disclosure of this Corporation's material inside information, except as otherwise provided by law or regulation, shall be made by this Corporation's spokesperson, or by a deputy spokesperson acting in such capacity in a confirmed sequential order. When necessary, the disclosure may be made directly by a responsible person of this Corporation.

This Corporation's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by this Corporation, and no personnel of this Corporation other than those serving as this Corporation's responsible person, spokesperson, or deputy spokesperson may disclose any material inside information of this Corporation to outside parties without authorization.

5.8.3. Record of disclosure of material inside information

The company's stock affairs unit is a special unit responsible for major information, responsible for the evaluation, review, review and release of major information. Except for emergency situations or non-official hours, which can be reviewed electronically, the "Major Information Release Application Form" and the "Major Information Evaluation Checklist" should be recorded in writing and submitted to the chairman for approval. If the assessment or audit is done electronically, it should be archived in written documents afterwards, and the previous assessment records, audit documents and related information should be kept for at least five years.

This Corporation shall keep the following records when releasing important information:

- (1) Evaluation content.
- (2) Signature or seal of evaluation, review and decision personnel, the date, and the time.
- (3) How the information is disclosed.
- (4) What information is disclosed.
- (5) What written material is delivered and the applicable legal basis.
- (6) Any other relevant details.

5.8.4. Response to false media coverage

If a media agency releases information that is in any respect inconsistent with material information disclosed by this Corporation, this Corporation shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

5.9. Handling of abnormal situations

5.9.1. Reporting of unusual events

Any director, supervisor, managerial officer, or employee of this Corporation that becomes aware of any unauthorized disclosure of this Corporation's material inside information shall report to the responsible unit and the internal audit department of this Corporation as soon as practicable.

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Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

5.9.2. Disciplinary measures

This Corporation shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

- (1) Personnel of this Corporation disclose material inside information without authorization to any outside party, or otherwise violate these Procedures or any other applicable law or regulation.
- (2) A spokesperson or deputy spokesperson of this Corporation communicates to any outside party any information beyond the scope authorized by this Corporation, or otherwise violates these Procedures or any other applicable law or regulation.
- (3) If any person outside this Corporation divulges any material inside information or violates the operating procedures of this Corporation, thereby causing damage to any property or interest of this Corporation. The Company should pursue its legal responsibility through relevant channels.

5.9.3. Measures regarding violation of laws A person engaged in insider trading is in violation of the first paragraph of Article 157-1 of the Securities Exchange Act, regardless of whether he is profiting from insider trading. Even if the person suffers from a loss, unless there is a legitimate reason to believe that the information has been made public, the person, pursuant to the provisions of paragraphs 3 and 4 of Article 157-1 of the Securities Exchange Act, is liable for damages brought upon people who engage in countertrade without prior knowledge, and shall be held criminally liable under Article 171 of the Securities Exchange Act.

5.10. Internal control operations and internal education and promotion

5.10.1. Internal controls

The internal auditors shall keep themselves regularly informed of the status of compliance with these Procedures and shall prepare related audit reports, so as to implement this operating procedure.

5.10.2. Awareness campaigns

At least once per year, this Corporation shall conduct educational campaigns to promote awareness among all directors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

This Corporation shall also provide educational campaigns to new directors, managerial officers, and employees in a timely manner.

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5.11. Trading period (lock-up period)

In order to protect the rights and interests of shareholders and implement equal treatment of shareholders, the directors of the company are prohibited from trading the securities issued by the company during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.

5.12. These Procedures, and any amendments to them, shall be implemented upon approval by the board of directors.

6. Related Document:

6.1. Major Information Release Application Form

6.2. Major Information Evaluation Checklist

7. Reference Document: None.

8. Amendment Record:

8.1. Edition 1.1 approved and issued by the Board of Directors on July 7, 2014

8.2. Edition 2.0 approved and issued by the Board of Directors on April 5, 2017

8.3. Edition 2.1 approved and issued by the Board of Directors on December 21, 2017

8.4. Edition 2.2 approved and issued by the Board of Directors on August 10, 2022

8.5. Edition 2.3 approved and issued by the Board of Directors on December 21, 2022