

NAN	PAO	Nan Pao Resins Chemical Co., Ltd.	Issue No.	
Edition	2.0	Procedure for Election of Directors	Issued on	
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1. Purpose: For the fairness, impartiality, and openness in the election of directors, the Procedure is formulated in accordance with the provisions of Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
2. Scope: Except as otherwise provided by law or by the Articles of Association, elections of the Company's directors shall be conducted in accordance with the Procedure.
3. Definition: None.
4. Authority and Responsibility: None.
5. Content:
 - 5.1. The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present within the Board as a whole are as follows:
 - I. Operation judgment ability.
 - II. Accounting and financial analysis ability.
 - III. Operation management ability.
 - IV. Crisis management ability.
 - V. Industry knowledge.
 - VI. International market perspective.
 - VII. Leadership ability.
 - VII. Decision ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedure set out in Article 192-1 of the Company Act.
 - 5.2. The qualifications for the independent directors of the Company shall comply with Articles 2-9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and relevant practices shall be implemented pursuant to article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
 - 5.3. Elections of the Company's independent directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. If the number of independent directors is less than that required by the first paragraph of Article 14-2 of the Securities Exchange Act, new independent directors shall be elected at the most recent Shareholders' Meeting. When independent directors are dismissed, the Company shall convene a provisional Shareholders' Meeting to elect new independent directors within 60 days of the actual dismissal.
 - 5.4. The election of the directors of the Company adopts the nomination system procedure and adopts the cumulative voting method. 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.

Approved by	Liu, Chi-Lin	Reviewed by	Lin, Kun-Chin	Drafted by	Huang, Jing-Yi
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- 5.5. The Board of Directors shall prepare ballots 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.
- 5.6. The number of directors will be as specified in the Company's Articles of Association, with voting rights separately calculated for independent and non-independent director positions. 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 that is not in attendance.
- 5.7. 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.
- 5.8. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a government organization or corporate shareholder, the name of the government organization or corporate shareholder shall be entered in the column for the candidate's account name in the ballot, or both the name of the government organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered.
- 5.9. A ballot is invalid under any of the following circumstances:
- I. The ballot was not prepared by the Board of Directors.
 - II. A blank ballot is placed in the ballot box.
 - III. The writing is unclear and indecipherable or has been altered.
 - VI. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, but upon checking it shows that the candidate's name and identity card number do not match.
 - V. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
 - VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
- 5.10. The voting rights shall be calculated on site immediately after the end of the poll, and the list of elected directors shall be announced by the chair on site.
- 5.11. The Board of Directors of the Company shall issue notifications to the persons elected as directors.
- 5.12. The Procedure and any amendments hereto shall be implemented after approval by the Shareholders' Meeting.

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6. Related Document: None.
7. Reference Document: None.
8. Amendment Record:
 - 8.1. Edition 1.0 approved and issued by the Board of Directors on May 16, 2014.
 - 8.2. Edition 1.1 approved and issued by the Board of Directors on April 5, 2017.
 - 8.3. Edition 2.0 approved and issued by the Board of Directors on October 17, 2017, and implemented after the approval of the provisional Shareholders' Meeting on December 12, 2017.