

NAN	PAO	Nan Pao Resins Chemical Co., Ltd.		Issue No.	
Edition	3.1	Procedures for Ethical Management and Guidelines for Conduct		Issued on	
Page	1/8			Document No.	GPFE0030
<p>1. Purpose: The Company engages in commercial activities following the principles of fairness, honesty faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM listed Companies and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties.</p> <p>2. Scope: The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.</p> <p>3. Definition: For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.</p> <p>4. Authority and Responsibility: When engaging in commercial activities, directors, supervisors, managerial officers, employees, mandataries, or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</p> <p>5. Content:</p> <p>5.1. The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/TPEX listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.</p> <p>5.2. The Company designates the Financial Management Office, the subordinate of the Board of Directors, as the dedicated unit (hereinafter known as the dedicated unit), provide it with sufficient resources and competent personnel to handle the revision, implementation, interpretation, and consultation on this Operating Procedures and Code of Conduct. The dedicated unit shall also log the report content into file records and supervise implementation. It mainly controls the following items and shall regularly report to the (at least once a year) Board meeting:</p> <p>I. Assist with integrating honest and ethical values into the Company’s operating strategy and set preventive measures to ensure honest management is in accordance with the law.</p> <p>II. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to set proposals that prevent dishonest behavior and set work-related Operating Procedures and Code of Conduct within each proposal.</p>					
Approved by	Wu, Cheng-Hsien		Reviewed by	Hsu, Ming-Hsien	Drafted by Lee, Hui-Feng

Page	2/8	Procedures for Ethical Management and Guidelines for Conduct	Document No.	GPFE0030
<p>III. Plan the internal organization, establishment, and authority and set a mutual supervision and balance mechanism for operating activities within the business scope at high risk of dishonest behavior.</p> <p>IV. Promote and coordinate honesty policy advocacy training.</p> <p>V. Plan a reporting system and ensure effective implementation.</p> <p>VI. Assist with the Board and management audits and assess whether preventive measures for implementing honest management is operating effectively; regularly assess compliance of related business procedure and convert the results into a report.</p> <p>VII. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</p> <p>5.3. When directly or indirectly providing, receiving, or promising interests stipulated in Article 3, this Company's personnel shall conform to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and rules of this Operating Procedures and Code of Conduct, except under one of the following circumstances, and the relevant procedures shall have been carried out:</p> <p>I. The conduct is undertaken to meet the needs of business, ordinary social activities, domestic and foreign visits, or other activities in relation to business needs, when the method of fee payment, the number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</p> <p>II. Attendance at folk festivals that are open to and invite the attendance of the general public.</p> <p>III. Rewards, emergency assistance, condolence payments, or honorariums from the management.</p> <p>IV. Offering or receiving money, property, or other benefits from people other than relatives or frequent friends of which the market value has not deviated from the general market price.</p> <p>V. Property, with a market value that has not deviated from the general market price, received due to engagement, marriage, maternity, relocation, assumption of a position, promotion, transfer, retirement, resignation, severance, or the injury, illness, or death of the recipient or the recipient's spouse, or lineal relative.</p> <p>VI. Other conduct that complies with the rules of the Company</p> <p>5.4. The Company's personnel shall follow the below procedures when encountering others who directly or indirectly provide or promise interests as specified in Article 3 (except for the items stipulated in the previous article):</p> <p>I. The provided or promised person and stakeholders with no duties shall report to their direct supervisor within three days of receiving the interests. When necessary, the Company's dedicated unit shall be notified.</p> <p>II. The provided or promised person and stakeholders with duties shall return or refuse the interest, report the event to their direct supervisor, and notify the Company's dedicated unit. If the interest cannot be returned, the items shall be given to the Company's dedicated unit for handling within three days of receiving the items.</p> <p>The aforementioned job stake refers to any one of the following:</p> <p>I. Entities who have commercial interaction, command, supervision, or compensation (award).</p> <p>II. Entities searching for, proceeding, or having established contract, sales, or other contractual relationships.</p> <p>III. Entities who are benefited or adversely affected by the Company's business decisions, implementation, or non-implementation.</p>				

Page	3/8	Procedures for Ethical Management and Guidelines for Conduct	Document No.	GPFE0030
<p>The Company's dedicated unit shall view the nature and value of the first item interest and propose a return, make a payment, turn to public ownership, give to a charity organization, or make other appropriate recommendations. The suggestion shall be implemented after approval by the CEO.</p> <p>5.5.The Company shall neither provide nor promise any facilitating payment.</p> <p>5.5.1. If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the dedicated unit.</p> <p>5.5.2. Upon receipt of the report, as referred to in the preceding paragraph, the dedicated unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the dedicated unit shall also immediately report to the relevant judicial agency.</p> <p>5.6. The procedures for handling political contributions shall be in accordance with the following provisions and reported to the supervisor in charge for approval, following the approval hierarchy as outlined in the decision authority table</p> <p>I. Shall conform to relevant laws and regulations of the country in which the political contributions are received, including the limits and forms of political contributions</p> <p>II. A written record of the decision making shall be kept.</p> <p>III. Political contributions shall be credited according to the law and relevant accounting procedures.</p> <p>IV. When providing political contributions, business dealings with relevant government units, applications for permits, and other items that involve the Company's interests shall be avoided.</p> <p>5.7.The Company shall handle charitable donations or sponsorships in accordance with the following procedures. They may only proceed after being approved by the relevant department head and submitted for approval in accordance with the authority matrix.</p> <p>I. It shall be ascertained that the donation or sponsorship is in compliance with the law and regulations of the country where the Company is doing business.</p> <p>II. A written record of the decision making shall be kept.</p> <p>III. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.</p> <p>IV. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any staff member of the Company has a relationship of interest.</p> <p>V. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.</p> <p>5.8. When the Company's directors, managerial officers, or other stakeholders attending or present at a Board meeting have a conflict of interests with meeting proposals or the juristic person represented thereby, the directors, managerial officers, or stakeholders shall state the important aspects of the conflict of interests at the meeting. Where there is a likelihood that the interests of the Company would be prejudiced, the directors, managerial officers, or stakeholders may not participate in the discussion or vote on that proposal, and shall recuse themselves from any discussion and voting, and may not exercise voting rights as the proxy on behalf of another director.</p>				

Page	4/8	Procedures for Ethical Management and Guidelines for Conduct	Document No.	GPFE0030
<p>The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</p> <p>The Company's any personnel and managerial officers shall not conduct company business in the course of Company to obtain improper benefits for themselves, their spouses, parents, children, or a person with whom they have a relationship of interest.</p> <p>5.9. The Company shall formulate and implement procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works, and other intellectual properties in accordance with the regulations of information security, and the Company shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.</p> <p>All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which it has learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.</p> <p>The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</p> <p>5.10. The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather. The Company shall also publish all guidelines to have the personnel of the Company ensures the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, sale, and services. The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.</p> <p>Where there are media reports or sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, within 3 days, recall those products or suspend the services, verify the facts, and present a review and improvement plan.</p> <p>The responsible unit of the Company shall report the event as in the preceding paragraph, including the actions taken, subsequent reviews, and corrective measures to the Board of Directors.</p> <p>5.11. All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel is also prohibited from divulging undisclosed information to any other party in order to prevent other parties from using such information to engage in insider trading.</p>				

Page	5/8	Procedures for Ethical Management and Guidelines for Conduct	Document No.	GPFE0030
<p>Any organization or person outside of the Company that is involved in any merger, demerger, acquisition, share transfer, major memorandum of understanding, strategic alliance, other business partnership plans, or the signing of a major contract by the Company shall be required to sign a nondisclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.</p> <p>5.12. This Corporation shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</p> <p>The Company shall disclose its policy of ethical management in its internal rules, in annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p> <p>5.13. Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.</p> <p>When the Company carries out the evaluation as referred to in the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:</p> <ol style="list-style-type: none"> I. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment. II. Whether the enterprise has adopted an ethical management policy, and the status of its implementation. III. Whether the enterprise's business operations are located in a country with a high risk of corruption. IV. Whether the business operated by the enterprise is in an industry with a high risk of bribery. V. The long-term business condition and degree of goodwill of the enterprise. VI. Consultation with the enterprise's business partners on their opinion of the enterprise. VII. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions. <p>5.14. Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.</p>				

Page	6/8	Procedures for Ethical Management and Guidelines for Conduct	Document No.	GPFE0030
<p>5.15. All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparties in commercial interactions that are involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the person shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.</p> <p>5.16. Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:</p> <ol style="list-style-type: none"> I. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time. II. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations <p>5.17. As an incentive to insiders and outsiders for reporting unethical or unseemly conduct, the Company will grant a reward depending on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.</p> <p>5.17.1. The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline for Company insiders and outsiders to submit reports. A whistle blower shall at least furnish the following information:</p> <ol style="list-style-type: none"> I. The whistle-blower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number, and email address where the informed party can be reached. II. The informed party's name or other information that is sufficient to identify the party's traits. III. Specific evidence available for investigation. <p>5.17.2. The Company's personnel handling whistle-blowing matters shall represent in writing they will keep the whistle-blowers' identity and content of information confidential. The Company also undertakes to protect the whistle-blowers from improper treatment due to their whistle-blowing. The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters:</p> <ol style="list-style-type: none"> I. The information shall be reported to the department head if involving the ranks and filed and to an independent director or the Audit Committee if involving a director or a senior executive. II. The responsible unit of the Company and the department head or personnel being reported to as referred to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related departments. 				

Page	7/8	Procedures for Ethical Management and Guidelines for Conduct	Document No.	GPFE0030
<p>III. If a person being reported is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, The Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</p> <p>IV. Documentation of case acceptance, investigation processes, and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistle-blowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</p> <p>V. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</p> <p>VI. The responsible unit of the Company shall submit to the Board of Directors a report on the whistle-blowing case, including the actions taken, subsequent reviews, and corrective measures.</p> <p>5.18. If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.</p> <p>5.19. The Company shall, in accordance with the Company's "employee handbook", report and assess the violation of the Company's code of ethics, and punish the violation according to the seriousness of the violation.</p> <p>5.20. The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.</p> <p>5.21. The Company shall arrange the chairman, general managers, or senior management once a year to conduct an education training and promotion to directors, employees, and appointees, and invite counter-parts of the Company to participate, so that they can fully understand the Company's determination, policies, prevention programs, and consequences of violation of dishonest behavior.</p> <p>5.22. The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managerial officers, and employees to make suggestions to review and improve the adopted ethical corporate management policies and to achieve better implementation of ethical management.</p> <p>5.23. These Procedures and Guidelines and any amendments hereto shall be implemented after adoption by resolution of the Board of Directors.</p> <p>5.24. When these Procedures and Guidelines are submitted to the Board of Directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the Board meeting. An independent director that is unable to attend a Board meeting in person to express objection or reservation shall provide a written opinion before the Board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p>				

Page	8/8	Procedures for Ethical Management and Guidelines for Conduct	Document No.	GPFE0030
<div>6. Related Document: None.</div> <div>7. Reference Document: None.</div> <div>8. Amendment Record:<div>8.1. Edition 1.0 approved and issued by the Board of Directors on April 5, 2017</div><div>8.2. Edition 2.0 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.</div><div>8.3. Edition 3.0 approved by the Board of Directors on December 17, 2020, and implemented after the approval of the resolution of the general Shareholders' Meeting on July 20, 2021.</div><div>8.4. Edition 3.1 approved by the Board of Directors on December 18, 2024, and implemented after the approval of the resolution of the general Shareholders' Meeting on June 17, 2025.</div></div>				