

NAN	PAO	Nan Pao Resins Chemical Co., Ltd.	Issue No.	
Edition	3.2	Procedures for Performance Evaluation of the Board of Directors	Issued on	
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1. Purpose: To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors, and ensure that can assist the company in achieving long-term business objectives and strategies in daily operations, this template is established pursuant to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies for compliance.
2. Scope: The Company shall refer to these regulations to perform performance evaluation work for the board of directors, board members and functional committees.
3. Definition: None.
4. Authority and responsibility: The Company's share management unit is the collective execution unit of the performance evaluation of the board of directors, board members and functional committees.
5. Content:
 - 5.1. Evaluation of the Board of Directors and the Audit Committee:
 - 5.1.1. Standards to be followed

The general evaluation cycles, evaluation periods, scope and method of evaluation, the unit conducting evaluations, evaluation procedures and other matters for compliance under the Company's regulations governing the board performance evaluation shall be subject to this template.

The board committee's charters shall be subject to review at least once a year as part of the Company's regulations governing performance evaluation for internal committees.
 - 5.1.2. Evaluation cycle and period

The Company's board of directors shall conduct an internal board performance evaluation every year according to the evaluation procedures in 5.1.5. and 5.1.7.

The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.

Internal and external board performance evaluations shall be completed before the end of the first quarter of the following year.
 - 5.1.3. Evaluation scope and method

The Company's board evaluation scope covers the evaluation of the board as a whole, individual directors and functional committees.

Methods of evaluations include the internal evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Approved by	Wu, Cheng-Hsien	Reviewed by	Lin, Kun-Chin	Drafted by	Lee, Chih-Yun
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5.1.4. Implementation unit of the assessment

The unit conducting internal evaluations of the Company's board of directors shall have an adequate understanding of the operation of the unit subject to evaluation and shall play a fair, impartial and independent role.

Adjustments may be made to assign different units to perform evaluations of the functional committees in view of the slight difference in their operations, depending on the organizational structure of each company. The unit conducting evaluations shall be fair and impartial, and no individual or unit conducting evaluations shall have any direct interest in the operation of the units subject to evaluation.

5.1.5. Evaluation procedures

(1) Self-evaluation of directors: After the end of the year, the stock affairs unit distributes the "self-evaluation questionnaire of board members" (refer to attached table 6.1.) to the board of directors to conduct self-evaluation of the performance of directors based on the evaluation indicators.

(2) Evaluation of the designated unit responsible for Board meetings: After the end of the year, the stock affairs unit fills out the "self-evaluation questionnaire for board performance" (refer to attached table 6.2.) and "self-evaluation questionnaire for functional committee performance" (refer to attached table 6.3.), and sends the documents to the chairman of the board and the convener of the audit committee for review.

(3) Director assessment procedure: Before the end of the first quarter of next year, the stock affairs unit collects the "self-evaluation questionnaire of board members" (refer to attached table 6.1.), "self-evaluation questionnaire for board performance" (refer to attached table 6.2.) and "self-evaluation questionnaire for functional committee performance" (refer to attached table 6.3.), records the evaluation result report according to the scoring criteria of the evaluation indicators in 5.1.7., and sends to the board of directors for further discussion and improvement.

5.1.6. External professional institutions, experts

When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of board performance, the Company shall comply with the following guidelines:

(1) The external evaluation institution or panel of external experts and scholars shall be professional and independent.

(2) The external evaluation institution shall be an institution or management consulting firm mainly engaging in the provision of services for educational and training programs for board of directors and improvement of corporate governance of enterprises.

(3) The panel of external experts and scholars shall appoint at least three experts or scholars specialized in the fields of board of directors or corporate governance to conduct evaluations of board performance of the company and prepare external evaluation analysis reports.

5.1.7. Evaluation indicators and scoring standards

(1) The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors, which should cover, at a minimum, the following five aspects:

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- A. Participation in the operation of the company;
- B. Improvement of the quality of the board of directors' decision making;
- C. Composition and structure of the board of directors;
- D. Election and continuing education of the directors; and
- E. Internal control.

(2)The criteria for evaluating the performance of the board members (on themselves or peers), should cover, at a minimum, the following four aspects:

- A. Understanding of the company and recognition of responsibilities;
- B. Participation in the operation of the company;
- C. The director's professionalism and continuing education; and
- D. Internal control.

(3)The criteria for evaluating the performance of functional committees should cover, at a minimum, the following five aspects:

- A. Participation in the operation of the company;
- B. Awareness of the duties of the functional committee;
- C. Improvement of quality of decisions made by the functional committee;
- D. Makeup of the functional committee and election of its members and
- E. Internal control.

The indexes of board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the company, subject to regular reviews and constructive comments of the remuneration committee.

Scoring criteria may be modified and adjusted based on the company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.

5.1.8. Use of assessment results

When electing or nominating members of the board of directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance.

5.1.9. Annual report information disclosure

It is advisable that the Company disclose in its annual report whether regulations governing the board performance evaluation have been established as well as how the board performance evaluation has been conducted each year, with a description of the evaluation method provided. In cases where an external institution or experts are appointed to conduct evaluations of board performance, the Company shall, in the annual report, disclose the names of the external evaluation institution, names of the experts, and specialties of the experts, and indicate if the external institution and experts have business dealings with the Company and if they are independent.

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5.1.10. Disclosure method

The performance evaluation regulations established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times, to be made available for consultation.

5.2. The Company's regulations shall take effect after having been discussed by the Compensation Committee and approved by the board of directors. Subsequent amendments thereto shall be effected in the same manner.

6. Related Document:

- 6.1. Self-evaluation Questionnaire of Board Members
- 6.2. Self-evaluation Questionnaire for Board Performance
- 6.3. Self-evaluation Questionnaire for Functional Committee Performance

7. Reference Document: None.

8. Amendment Record:

- 8.1. Edition 1.0 approved and issued by the Board of Directors on April 5, 2017,
- 8.2. Edition 2.0 approved and issued by the Board of Directors on February 2, 2018,
- 8.3. Edition 3.0 approved and issued by the Board of Directors on March 25, 2021.
- 8.4. Edition 3.1 approved and issued by the Board of Directors on March 24, 2022.
- 8.5. Edition 3.2 approved and issued by the Board of Directors on January 25, 2024.