



Nan Pao Resins Chemical Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

- 1 The Company is incorporated in accordance with the regulations on companies limited by shares under the Company Act and named “Nan Pao Resins Chemical Co., Ltd.”
- 2 The scope of business of the Company are as follows:
 1. C801060 Synthetic Rubber Manufacturing
 2. C801100 Synthetic Resin and Plastic Material Manufacturing
 3. C802120 Industrial Catalyst Manufacturing
 4. C802200 Varnish, Lacquer, Dye, and Pigment Manufacturing
 5. ZZ99999 Business items not prohibited or restricted by law except those requiring special approval
- 3 The Company’s head office is in Tainan City, and may, pursuant to a resolution adopted by the Board of Directors and the competent authority, set up branches, offices, or factories in appropriate locations within domestic or overseas when deemed necessary.
- 4 The total amount of the Company’s reinvested capital may exceed 40% of the paid-in capital and shall make an external guarantee.

Chapter 2 Capital

- 5 The total capital stock of the Company is 2 billion New Taiwan Dollars, divided into 200 million shares at 10 New Taiwan Dollars each, un issued shares are authorized to be issued by the resolution of the Board of Directors. A total of 8 million shares among the total number of shares referred to the preceding paragraph shall be reserved for the issuance of convertible shares of employee stock options.
- 5-1 The Company repurchases its treasury shares to employees, reserves the issuance of common shares in cash for employees to subscribe, issues employee stock option certificates, and issues restricted shares for employee, which could be entitled to the qualified employees of controlled entities or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to decide the conditions and the subscription.
- 6 All the shares issued by the Company, the issuing company may be exempted from printing any share certificate for the shares issued. If the company prints stock certificates, it will be name-bearing and shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.
- 7 The Company’s shareholder services affairs are in compliance with Regulations Governing the Administration of Shareholder Services of Public Companies and relevant regulations.



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- 8 All changes made to the list of shareholders shall not be made within sixty days prior to an upcoming annual shareholders' meeting, within thirty days prior to a provisional shareholders' meeting, or within five days prior to the base date on which the Company issues dividends, bonuses, or other interests.

Chapter 3 Shareholders' Meeting

- 9 Shareholders' meetings of the Company are of two types, namely regular meetings and provisional meetings. Regular meetings shall be convened by the board of directors within six months after the end of each fiscal year. Provisional meetings shall be convened in accordance with relevant laws, rules, and regulations when necessary.
- 10 When the Company holds a shareholders' meeting, it should exercise its voting right by way of electronic transmission and may in writing. It shall be executed in accordance with relevant laws and regulations.
If a shareholder is unable to attend the shareholders' meeting, the shareholder may appoint a proxy to attend the meeting in accordance with Article 177 of the Company Act and exercise his/her/its rights. The proxy is not limited to the shareholders of the company.
- 11 Unless otherwise stipulated by laws and regulations, the shareholders' meetings shall be convened by the Board of Directors and the meeting shall be chaired by the Chairman of the Company. When the Chairman of the Board is on leave, shall appoint one of the directors to act as the Chair in accordance with Article 208 of the Company Act.
- 12 The shareholder of the Company is entitled to one vote for each share held unless otherwise stipulated by law.
- 13 Unless otherwise stipulated by law, a resolution made at a shareholders' meeting shall be adopted by a majority vote at a meeting attended by shareholders representing half of the total number of shares issued. The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.
- 14 When the company convenes a shareholders' meeting, the shareholders' meeting may be held via visual communication network. The relevant operating procedures of the visual communication network shall be handled in accordance with the Company Law and the regulations of the competent authority.
- 15 After the public offering of the Company's stock, if the Company wants to cancel the public offering, it must be approved by the Board of Directors and approved at a shareholders' meeting.



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Chapter 4 Board of Directors' Meeting

- 16 The Board of Directors' meeting shall be convened at least once every quarter. The Board of Directors shall be convened by the chairman of the Board of Directors, except that the first Board of Directors of each session shall be convened by the director with the most voting rights representing the votes obtained after re-election.
- 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 when in emergency circumstances. The notice of the Board of Directors' meeting shall be by email.
- 17 The Company has established five to nine seats of directors. The number of directors is determined by the Board of Directors. Among the above-mentioned directors, at least three are independent directors. The election of directors shall be elected from a nomination system by shareholders among a list of nominees for directors. Independent directors and non-independent directors shall be elected together, and the number of elected candidates shall be calculated separately. The directors shall have a term of office of three years and may be re-elected.
- The professional qualifications, shareholding, the prohibition on positions held at other companies, nomination and selection process, and other matters of the Company's Independent Directors, are processed in compliance with relevant regulations.
- The Company may purchase liability insurance for directors, within the scope of business during their term of office.
- 17-1 In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the company has established an Audit Committee, and may establish different types of functional committees. The Audit Committee shall be composed of the entire independent directors and shall be responsible for implementing the supervisory functions and powers stipulated by the Company Act, Securities and Exchange Act and other laws and regulations.
- 18 The compensation of the directors should authorize the Board of Directors to set a compensation standard based on the value of their participation in and contribution to the operation of the Company and with reference to domestic and foreign industry standards.
- 19 Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.
- 20 The directors shall elect from among themselves a chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of all the



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directors. The chairman is the chairperson of the board of directors and represents the company externally. When the chairman of the Board is on leave or for any reason is unable to exercise the powers of the chairman, one of the directors shall be appointed to act as the chair by the chairperson. When the chairman does not make such appointment, directors shall elect one person from among themselves to serve as the chair.

21 A director may authorize other directors in writing to attend the meeting of the Board of Directors as a proxy, and may exercise voting rights on behalf of all matters raised at the meeting. The proxy can only accept a proxy from one person. Attending via video conferencing is deemed as attending in person.

22 Directors shall exercise their powers in accordance with the resolutions adopted by the Board of Directors and the shareholders' meeting. When the vacancy of directors reaches one-third of the total number for any reason, the board of directors shall convene a shareholders' meeting in accordance with the law to elect it. Except for the general re-election of directors, the term of office of the new director shall be extended to the expiration of the original term.

Chapter 5 Managerial Officers

23 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

Chapter 6 Accounting

24 The fiscal year of the Company starts from January 1st to December 31st of each year. After the close of each fiscal year, the following reports shall be compiled by the Board of Directors and submitted to the shareholders for acceptance:

1. Business Report;
2. Financial Statement;
3. Proposal Concerning Appropriation of Earnings or Covering of Losses.

25 Before the company distributes the surplus, the Company shall set aside 2% to 6% of its annual profits as remuneration to its employees and no more than 3% of its annual profits as remuneration to its directors. However, the Company shall have reserved a sufficient amount to offset its accumulated losses.

Employees' remuneration may be distributed in shares or cash, and the recipients may include employees of its controlled entities or subsidiary companies who meet certain conditions set by the Board of Directors or its authorized persons.

Distribution of directors' and employees' remuneration are resolved by a majority vote at a Board of Directors' meeting attended by two-thirds of the



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- total number of directors and shall be reported to the shareholders' meeting.
- 26 If there are earnings after the close of the fiscal year, the Company shall distribute the earnings in the following order:
1. Paying the tax.
 2. Offsetting losses.
 3. Setting aside a legal capital reserve at 10% of the earnings left over, but this limit is not applicable when the statutory surplus reserve has reached the company's paid-in capital.
 4. The special surplus reserve recognized or reversed in accordance with law and regulations or supervisory authorities
 5. If there is still surplus, together with the accumulated undistributed surplus, it is proposed to distribute the surplus in a distribution plan.

The Company's profit distribution or loss appropriation shall be made after the end of each quarter. If the surplus distribution is paid in cash, it shall be handled by a resolution of the board of directors in accordance with the provisions of Article 228-1 and Article 240, paragraph 5 of the Company Act, and shall be reported to the shareholders' meeting, and there is no need to submit it to the shareholders' meeting for approval.

The Company is at the steady growth stage of its business, and for future business expansion plans, the dividend distribution shall not be less than 10% of the remaining profits of the current year. The distribution of earnings may be in the form of cash dividends or stock dividends, with cash dividends being the priority, and may also be distributed in the form of stock dividends. However, the proportion of stock dividend distribution shall not be higher than 80% of the total dividends.

However, in order to maintain the Company's earnings per share, the impact of stock dividends on the Company's business performance shall be taken into account. If the annual earnings per share of the dividend payment is more than 20% lower than the previous year, a proposal regarding the earning distribution, in which the dividend payout amount and ratio are appropriately adjusted, shall be prepared by the Board of Directors and submitted to the shareholders for a resolution.

Chapter 7 Supplementary Provisions

- 27 The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.
- 28 In regard to all matters not provided in the Articles of Association, the Company Law and other regulations shall govern.
- 29 The Articles of Association was enacted on August 30, 1963; the first amendment was made on October 5, 1966; the second amendment was made



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on September 21, 1968; the third amendment was made on June 14, 1971; the fourth amendment was made on March 15, 1972; the fifth amendment was made on March 25, 1973; the sixth amendment was made on September 27, 1974; the seventh amendment was made on January 11, 1975; the eighth amendment was made on December 16, 1975; the ninth amendment was made on October 20, 1976; the tenth amendment was made on December 15, 1976; the eleventh amendment was made on November 8, 1978; the twelfth amendment was made on September 18, 1979; the thirteenth amendment was made on August 30, 1980; the fourteenth amendment was made on August 20, 1981; the fifteenth amendment was made on September 23, 1981; the sixteenth amendment was made on June 23, 1983; the seventeenth amendment was made on August 20, 1984; the nineteenth amendment was made on June 27, 1985; the twentieth amendment was made on November 1, 1985; the twenty-first amendment was made on May 31, 1986; the twenty-second amendment was made on April 8, 1987; the twenty-third amendment was made on October 9, 1987; the twenty-fourth amendment was made on May 3, 1988; the twenty-fifth amendment was made on June 10, 1989; the twenty-sixth amendment was made on October 12, 1989; the twenty-seventh amendment was made on April 27, 1990; the twenty-eighth amendment was made on May 16, 1991; the twenty-ninth amendment was made on May 4, 1992; the thirtieth amendment was made on June 1, 1993; the thirty-first amendment was made on June 29, 1994; the thirty-second amendment was made on May 30, 1995; the thirty-third amendment was made on June 20, 2000; the thirty-fourth amendment was made on December 11, 2000; the thirty-fifth amendment was made on June 25, 2002; the thirty-sixth amendment was made on June 27, 2003; the thirty-seventh amendment was made on May 21, 2004; the thirty-eighth amendment was made on May 25, 2004; the thirty-ninth amendment was made on June 28, 2005; the fortieth amendment was made on June 27, 2006; the forty-first amendment was made on July 21, 2006; the forty-second amendment was made on October 23, 2008; the forty-third amendment was made on June 27, 2011; the forty-fourth amendment was made on June 27, 2014; the forty-fifth amendment was made on June 27, 2016; the forty-sixth amendment was made on May 16, 2017; the forty-seventh amendment was made on December 12, 2017; the forty-eighth amendment was made on June 14, 2019; the forty-ninth amendment was made on June 23, 2022.