

# **Globe Union Industrial Corp.**

## **Articles of Association**

### Chapter I General Provisions

Article 1: The Company has been incorporated in accordance with the provisions of the Company Act, and it is named Globe Union Industrial Corp. The Company's English name is Globe Union Industrial Corp.

Article 2: The Company's principal business operations are listed below:

- I. Faucets and faucet accessories, bathroom fixtures and accessories, the manufacture/machining, sale, and distribution of machine components.
- II. Import/export of related products.
- III. Act as an agent for local/overseas suppliers to submit price quotations for tenders, as well as performing other commissioned operations involving related products.
- IV. General import/export business operations. (Except for business operations requiring approval)
- V. C805030 Manufacturing of everyday products made of plastic.
- VI. C805050 Manufacturing of industrial plastic products.
- VII. CA01990 Other basic manufacturing of non-ferrous metals: The manufacturing, forging, extrusion, rolling, and wire drawing of ingots, blocks, and strips to create basic parts, such as sheets, sticks, wires, rings, and tubes.
- VIII. CA02020 Manufacturing of copper and aluminum products.
- IX. CA02050 Manufacturing of valves.
- X. CA02070 Manufacturing of locks.
- XI. CQ01010 Manufacturing of dies.
- XII. ZZ99999 Apart from the approved business items, the Company is also allowed to operate other business not prohibited or restricted by law.

Article 3: The Company must provide external guarantees.

Article 4: Where necessary, the Company may invest in other businesses and become a shareholder of limited responsibilities of another company once a resolution has been passed by the board of directors. In this case, the Company is exempt from the restriction prescribed in Article 13 of the Company Act, where the total invested amount should not exceed 40% of the Company's paid-in capital, and the board of directors has the authorization to execute such matters.

Article 5: The Company is headquartered in Taichung City, and may establish domestic or foreign branches upon the approval of the board of directors.

Article 6: Official announcements made by the Company shall be published in accordance with Article 28 of the Company Act.

### Chapter II Shares

Article 7: The Company has a paid-in capital of NT\$6 billion, which is divided into 600 million shares with each share valued at NT\$10. Shares are issued in installments, and the board of directors has the authority to issue undistributed shares in installments. An amount of NT\$600 million is reserved for the shares described above. A total of 60 million shares are available for the issuance of stock options and subscription shares of preferred shares with warrants. The face value of each share is NT\$10, which the board of directors is authorized to issue in installments.

Article 7-1: If employee stock options are distributed by the Company at a price lower than the market price (net value per share), regulations specified under Article 56-1 and Article 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be followed, and shares shall be distributed after a resolution has been passed at the general shareholders' meeting.

Sales of shares to employees at prices below the Company's average purchase price shall follow Article 10-1 and Article 13 of the Regulations Governing Share Repurchase by

Exchange-Listed and OTC-Listed Companies, which can be processed after a resolution has been passed at the general shareholders' meeting.

Article 7-2: The Company may transfer the bought back Treasury Shares in compliance of the Company Act to employees of the parents or subsidiaries of the Company meeting certain specific requirement.

The Company may issue Employee Stock Option to employees of the parents or subsidiaries of the Company meeting certain specific requirement.

The Company may issue new stock, and reserve subscription for employees of the parents or subsidiaries of the Company meeting certain specific requirement.

The Company may issue Restricted stock for employees of parents or subsidiaries of the Company meeting certain specific requirement.

Article 8: Stocks issued by the Company are not required to be printed. The Company, however, should contact the securities depository and custodian institution for the safe-keeping and registration of the share certificates.

Article 9: The Company shall administer all services in accordance with relevant regulations and the "Regulations Governing the Administration of Shareholder Services of Public Companies" established by the competent authority.

Article 10: The entry of Shareholder roster shall be suspended 60 days prior to an annual general shareholders' meeting, 30 days prior to an extraordinary shareholders' meeting, and 5 days prior to the baseline date of any dividend, bonus, or rights distribution.

### Chapter III General Shareholders' Meeting

Article 11: Shareholders' meetings can be divided into regular and special (extraordinary) meetings. Regular shareholders' meetings are convened at least once per year. It shall be convened by the board of directors within six months after the closing of each fiscal year. Extraordinary shareholders' meetings shall be held in accordance with the relevant statutory requirements whenever necessary. A shareholders' meeting shall, unless otherwise specified within the Company Act, be convened by the board of directors.

The Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

In case a shareholders' meeting is proceeded via visual communication network, then the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

The above two provisions are subject to the provisions separately prescribed by the competent authority in charge of securities affairs, such provisions shall prevail.

Article 12: If a shareholder is unable to attend the shareholders' meeting in person, a proxy may be appointed by presenting a properly signed/sealed proxy form printed in the Company's prescribed format, while specifying the scope of delegated authority.

Once the proxy form has been delivered to the Company, shareholders who wish to attend the general shareholders' meeting in person, or by using printed or digital documents to exercise his/her voting rights, shall submit a notice to the Company 2 days before the general shareholders' meeting to cancel the proxy form. For those who did not submit a cancellation notice on time, his/her voting rights shall be exercised by the proxy.

Article 13: During a general shareholders' meeting, unless otherwise specified within the Company Act, the meeting shall be chaired by the company chairman. If he/she is absent or unable to perform such duties, a person shall be selected in accordance with Article 208 of the Company Act to act on his/her behalf. For a shareholders' meeting convened by an individual who is not a board member and has the convening right, he/she shall act as the chairman of that meeting; however, if there are two or more individuals with the convening right, the chairman of the meeting shall be elected from among themselves.

Article 14: Unless otherwise prescribed by law, each shareholder shall have one vote for each share in his/her possession.

Article 15: Unless otherwise regulated by the Company Act, a shareholders' meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 16: Resolutions passed during the general shareholders' meetings shall be documented, along with the meeting time, venue, key points of discussion and the final result, name of the chair, the voting method, and the number of shares represented by proxies. The form must be signed or stamped by the chair, then distributed to each shareholder as a meeting minutes report within 20 days after the date of the meeting.

#### Chapter IV Directors and Supervisors

Article 17: The Company shall have a Board of Directors consisting of 7 to 9 directors. The candidate nomination system is adopted, where individuals are selected from a list of candidates during a general shareholders' meeting. Each individual's term of service is three years and may be eligible for re-election. When an election cannot be held in time when the current term expires, the individual may remain in office until a newly elected director assumes the office. The total number of the Company's registered stocks held by its directors shall comply with the relevant regulations established by the competent authority. In accordance of law, the Company 's Audit committee shall be composed of the entire number of independent directors. The Exercise of Powers of the Audit Committess and its members shall be regulated in accordance of Securities and Exchange Act and related law and regulations.

Article 17-1: In conjunction to Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than three among the Company's directors. The candidate nomination system is adopted, where individuals are selected from a list of independent director candidates during a general shareholders' meeting. The election of independent directors and the election of non-independent directors shall be conducted at the same time, and the number of winners calculated separately. The guidelines for qualifications, shareholdings, restrictions on concurrent posts, nomination, election and any other matters to be complied with by the independent directors shall be prescribed by the competent securities authority.

Article 18: When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of vacancies in the board of directors equals one third of the total number of members a special shareholders' meeting shall be convened by the board of directors within 60 days to fill the vacancies; each successor elected shall only serve the remaining term of the previous board member/supervisor. When the number of independent directors falls below 3 directors, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 19: The board of directors shall appoint one chairperson of the board during a board meeting with more than two-thirds of directors present, and with the approval of more than half of all attending directors. The chairperson shall represent the Company externally. If s/he is absent or unable to perform his/her duties, a person shall be selected in accordance with Article 208 of the Company Act to act on his/her behalf.

Article 20: When a meeting of the board of directors is call by the chairperons of the board, the meeting shall be chaired by the chairperson.. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting. Board of directors meetings shall be announced to all directors seven days in advance, with the reasons for the meeting clearly stated. Board meetings may be convened at any time during an emergency event. To convene a board meeting described above, letters, faxes, and emails can be used.

Article 21: The power and authority of the Board of Directors are as follows:  
I. Establish a business direction.

- II. Propose earnings distribution or loss reimbursement plans.
- III. Proposal of capital increase and reduction plans.
- IV. Verify and authorize important regulations and contracts.
- V. Appoint/dismiss the Company's president and vice president.
- VI. Review and authorize the budget and year-end account closures.
- VII. Approve the procurement and disposal of important assets and real estate.
- VIII. Approve the investments in other businesses.
- IX. Make decisions on other material issues.

Article 22: Unless otherwise prescribed in the company policies, resolutions of the board of directors shall be adopted by a majority vote at a meeting attended by more than half of the directors. If a director is unable to attend the meeting, he/she may delegate another director as his/her representative by issuing a proxy form, specifying clearly the scope of the authorization. A director can only represent one other director. When a meeting of the Board of Directors is conducted in the form of a video conference meeting, the directors taking part via video conferencing shall be deemed to have attended the meeting in person.

Article 23: Regardless if the Company made a profit or suffered a loss, directors of the Company shall receive their monthly remuneration and travel allowances accordingly. In addition, remuneration shall be distributed according to the Company's profits. The authorization of payment standards shall be established by the board of directors. Relevant remuneration distribution methods shall follow the general standards adopted by the industry. Furthermore, the Company shall purchase liability insurance for directors, which will protect directors from legal actions taken against them by shareholders or other related parties while executing their duties according to the law.

Article 23-3: The Company has authorized its board of directors to form various types of functional committees for mergers and acquisitions, making nominations, risk management, or other purposes. In addition, each functional committee's organizational regulations shall be established by the board of directors.

#### Chapter 5 Managers

Article 24: The Company may appoint one president and several vice presidents, whose appointment, dismissal, and remuneration shall comply with Article 29 of the Company Act.

#### Chapter VI Accounting

Article 25: The Company's board of directors is responsible for preparing the statements and reports at the end of each fiscal year in accordance of Article 228 of Company Act, which shall be submitted to the general shareholders' meeting for final acceptance:

Article 25-1: If the Company was profitable during the year, at least 2% of the profit shall be allocated as employee remuneration first, and no more than 2% can be allocated as remuneration for directors. However, an amount shall be set aside in advance to compensate for cumulative losses, if any.

Employee remuneration can be paid in shares or cash to qualified employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements.

Article 26: If the general final accounts for the year produce a surplus, in addition to the payment of income tax as required by law, priority should be given to make up for the losses suffered during previous years, followed by a 10% allocation as the statutory surplus reserve. However, if the statutory surplus reserve has reached the amount of the Company's total capital, such allocation is no longer necessary. Next, as prescribed by the competent authority, after the allocation or rollover into special surplus reserve, undistributed earnings accumulated from the previous year are then available for the distribution of earnings. An earnings distribution plan shall be drafted by the board of directors and submitted to the general shareholders' meeting for approval. The surplus earnings distributed in form of cash, it shall be approved by the meeting the board of directors and report to the Shareholder meeting in accordance with the Article 228 -1 and Article 240 item 5. In Consideration and factor in of Company's Financial, business, operational aspects, the Company may distribute its capital reserve or legal

reserve in whole or in part according to the regulation or legal authority. If distribute in form of cash, the Company shall authorize the board of directors in accordance with Article 241 of the company Act., and report to the Shareholder meeting.

The Company's dividend policy must be based on the current and future development plans, and take the investment environment, funding requirements, and domestic/international competitions into consideration. In addition, shareholders' interests and other factors must be taken into account, so that shareholders' dividends of no less than 30% of the earnings can be distributed each year.

Our Company strives to maintain a stable and sustainable dividend policy while ensuring that our capital spending, business expansion requirements and sound financial planning will guarantee our sustainable development. The cash dividend must not be less than 60% of the total shareholder dividend distributed for that year. The dividend distribution policy described above must take the Company's business requirements, reinvestment or M&A funding requirements, as well as the revision of key legislations into consideration. The percentage of cash dividend distributed shall be adjusted accordingly by the general shareholders' meeting upon the request of the board of directors.

Article 27: When the statutory surplus reserve has reached the amount of the Company's total capital, statutory reserve allocation is no longer necessary as specified in the previous Article.

#### Chapter VII Addendum

Article 28: Any matters that are not addressed in the Articles of Association shall be governed by the Company Act and other relevant regulations.

Article 29: The organizational policies and enforcement rules of the Company shall be established separately by the board of directors.

Article 30: The Articles of Association was established on September 26, 1979.

The 1st amendment was made on October 15, 1979.

The 2nd amendment was made on August 20, 1980.

The 3rd amendment was made on April 28, 1981.

The 4th amendment was made on July 24, 1982.

The 5th amendment was made on August 26, 1985.

The 6th amendment was made on August 24, 1987.

The 7th amendment was made on October 24, 1994.

The 8th amendment was made on August 28, 1995.

The 9th amendment was made on November 4, 1995.

The 10th amendment was made on April 25, 1996.

The 11th amendment was made on October 1, 1996.

The 12th amendment was made on April 19, 1997.

The 13th amendment was made on December 7, 1997.

The 14th amendment was made on May 15, 1998.

The 15th amendment was made on April 27, 1999.

The 16th amendment was made on May 23, 2000.

The 17th amendment was made on June 18, 2001.

The 18th amendment was made on June 28, 2002.

The 19th amendment was made on June 24, 2003.

The 20th amendment was made on October 30, 2003.

The 21st amendment was made on June 24, 2004.

The 22nd amendment was made on June 15, 2005.

The 23rd amendment was made on June 15, 2006.

The 24th amendment was made on June 15, 2007.

The 25th amendment was made on June 13, 2011.

The 26th amendment was made on June 27, 2012.

The 27th amendment was made on June 27, 2014.

The 28th amendment was made on June 26, 2015.

The 29th amendment was made on June 24, 2016.

The 30th amendment was made on May 26, 2017.

The 31st amendment was made on May 25, 2018.

The 32nd amendment was made on May 29, 2020

The 33rd amendment was made on August 2, 2021

The 34th amendment will makd on May 26, 2023.