Globe Union Industrial Corp.
Operational Procedures for Making Endorsements/Guarantees

Article 1: Purpose

To protect shareholders' interests, strengthen financial management, and reduce operational risks, these Operational Procedures are adopted pursuant to Article 36-1 of the Securities and Exchange Act (hereinafter, the "Act"), the regulations promulgated by the competent authority, and other applicable laws and regulations. All endorsements/guarantees made by the Company shall be handled in accordance with these Operational Procedures.

Article 2: Applicable Scope

The term "endorsements/guarantees" as used in these Operational Procedures includes the following:

1. Financing endorsements/guarantees:
   (1). Bill discount financing.
   (2). Endorsement or guarantee made to meet the financing needs of another company.
   (3). Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

The creation by the Company of a pledge or mortgage over its movable or immovable property as security for another company's borrowings shall also be handled in accordance with these Operational Procedures.

Article 3: Entities for Which the Company May Make Endorsements/Guarantees

The Company may make endorsements/guarantees only for the following companies:

1. A company with which it does business.
2. A company in which the Company directly or indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the company.
4. Companies in which the Company holds, directly or indirectly, 90 percent or more of the voting shares may make endorsements/guarantees for each other, and the

amount of endorsements/guarantees may not exceed 10 percent of the Company's net worth as stated in its latest audited or reviewed financial statement, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100 percent of the voting shares.

5. For purposes of these Operational Procedures, “subsidiary” and “parent company” shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. “Net worth” means equity attributable to owners of the parent as presented in the balance sheet prepared under those Regulations.

Article 4: Ceilings on Endorsements/Guarantees

1. The aggregate balance of endorsements/guarantees by the Company shall not exceed 50 percent of the net worth as stated in its latest financial statement.
2. The balance of endorsements/guarantees for a single enterprise shall not exceed 30 percent of the net worth as stated in its latest financial statement.
3. The aggregate amount of endorsements/guarantees that the Company and its subsidiaries may make as a whole shall not exceed 50 percent of the Company’s net worth as stated in its latest audited or reviewed financial statements, and the amount for any single enterprise shall not exceed 30 percent of such net worth. If the aggregate ceiling prescribed by the Company and its subsidiaries reaches 50 percent or more of the Company’s net worth, the necessity and reasonableness thereof shall be explained at the shareholders’ meeting.
4. Where an endorsement/guarantee is made due to needs arising from business dealings, in addition to the foregoing ceilings, the amount of an individual endorsement/guarantee may not exceed the amount of business transactions between the parties. “Amount of business transactions” means the higher of the purchase amount or sales amount between the parties.
5. If business needs require an endorsement/guarantee in excess of a ceiling set forth in these Operational Procedures, and the prescribed procedures have otherwise been followed, the matter shall be approved by the Board of Directors, and more than one-half of all directors shall jointly guarantee the Company against any loss arising from the excess. The Company shall amend these Operational Procedures and submit the amendment to the shareholders’ meeting for ratification. If the shareholders’ meeting does not approve the amendment, the Company shall adopt a plan to eliminate the excess within a specified period. Where the Company has independent directors, their opinions shall be fully considered, and any dissenting or qualified opinion shall be recorded in the minutes of the Board meeting.

Article 5: Hierarchy of decision-making authority and delegation

1. An endorsement/guarantee shall be processed through the approval procedures prescribed in Article 6 and may be made only after approval by resolution of the Board of Directors. To meet urgent business needs, however, the Board may authorize the Chairperson to approve an endorsement/guarantee within a ceiling of NT$90 million in aggregate per transaction and NT$90 million for a single enterprise per transaction, subject to subsequent submission to the Board for ratification.
2. If the Company has appointed independent directors, it shall take each independent director's opinion fully into consideration. Any dissenting or qualified opinion expressed by an independent director shall be recorded in the minutes of the Board meeting.

Article 6: Procedures for making endorsements/guarantees

1. Before processing an endorsement/guarantee, the Finance Department shall conduct a credit investigation and risk assessment of the entity for which the endorsement/guarantee is proposed. The review shall include the following matters:
   (1). The necessity and reasonableness of the endorsement/guarantee.
   (2). Whether the amount is necessary and appropriate considering the financial condition of the entity for which the endorsement/guarantee is made.
   (3). Whether the aggregate balance of endorsements/guarantees remains within the applicable ceilings.
   (4). Where an endorsement/guarantee is made due to needs arising from business dealings, whether its amount is within the ceiling is determined by reference to the amount of business transactions between the parties.
   (5). Impact on the Company's business operations, financial condition, and shareholders' equity.
   (6). Whether collateral must be obtained and appraisal of the value thereof.
   (7). Credit investigation and risk assessment records for the entity for which the endorsement/guarantee is proposed.
2. The Finance Department shall maintain a memorandum book for endorsements/guarantees. After an endorsement/guarantee has been approved by the Board of Directors or decided by the Chairperson under delegated authority, the Department shall, in addition to applying for use of the corporate seal in accordance with the Company's seal management rules, record in detail the guaranteed undertaking, the name of the guaranteed enterprise, the results of the risk assessment, the date of Board approval or the Chairperson's decision, and the date of the endorsement/guarantee. Copies of relevant negotiable instruments, agreements, and

other documents shall also be properly retained.

3. The Finance Department shall prepare a monthly statement of endorsements/guarantees made and cancelled for control, follow-up, announcement, and reporting purposes. The Company shall assess or recognize contingent losses arising from endorsements/guarantees at least quarterly, adequately disclose relevant information in its financial reports, and provide its certified public accountants with the information necessary to perform required audit procedures.
4. If, due to a change in circumstances, an entity for which an endorsement/guarantee has been made no longer meets the requirements of these Operational Procedures, or the amount exceeds the applicable ceiling because the basis used to calculate that ceiling has changed, the Company shall adopt a rectification plan, submit the plan to the Audit Committee, and complete the rectification within the timetable specified in the plan.
5. When the Company or a subsidiary makes an endorsement/guarantee for a subsidiary whose net worth is less than one-half of its paid-in capital, the Company shall, in addition to complying with the preceding paragraph, require its internal auditors to audit these Operational Procedures and their implementation at least quarterly and prepare written records. If any material violation is found, the Audit Committee shall be notified immediately in writing.
6. Upon expiration or discharge of an endorsement/guarantee, the Finance Department shall promptly notify the guaranteed enterprise to retrieve from the bank or other creditor any guaranteed instruments or collateral being held and shall cancel the related endorsement/guarantee documents.
7. In the case of a subsidiary with shares having no par value or a par value other than NT$10, for the paid-in capital in the calculation under subparagraph 5 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 7: Procedures for use and custody of corporate seals

The Company shall use the corporate seal registered with the Ministry of Economic Affairs as the dedicated seal for endorsements/guarantees. The seal shall be kept by a designated custodian and may be affixed, or negotiable instruments issued, only in accordance with the Company's prescribed procedures. The appointment or change of seal custodian shall be approved by the Board of Directors. A letter of guarantee issued for an overseas company shall be signed by a person authorized by the Board of Directors.

Article 8: Procedures for announcement and reporting

1. The Company shall announce and report, by the 10th day of each month, the balance of endorsements/guarantees made by the Company and its subsidiaries as of the end of the preceding month.
2. In addition to the monthly announcement and reporting of endorsement/guarantee balances, the Company shall announce and report any of the following events within two days commencing immediately from the date of occurrence:
   (1). The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
   (2). The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
   (3). The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT$10 million or more, and the aggregate of the endorsements/guarantees made for, the carrying amount of investments accounted for using the equity method in, and the balance of loans made to that enterprise reaches 30 percent or more of the Company’s net worth as stated in its latest financial statements.
   (4). The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT$30 million or more and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.
   (5). “Announce and report” means entry of the required information on the information reporting website designated by the Financial Supervisory Commission.
   (6). “Date of occurrence” means the date of contract signing, date of payment, date of a Board of Directors resolution, or any other date on which the counterparty and monetary amount of the endorsement/guarantee can be ascertained, whichever is earliest.
3. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Article 9: Other matters

1. If a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall require the subsidiary to adopt its own Operational Procedures for Endorsements/Guarantees in accordance with these Operational Procedures and to handle such matters in accordance with the procedures it adopts.

2. The Company's internal auditors shall audit the operational procedures for making endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.
3. Any manager or responsible personnel of the Company who violates applicable laws or regulations governing endorsements/guarantees or these Operational Procedures shall be subject to disciplinary action in accordance with the Company's Regulations Governing Rewards and Disciplinary Measures.
4. Matters not provided for in these Operational Procedures shall be handled in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies promulgated by the competent authority.
5. These Operational Procedures, and any amendment hereto, shall be approved by the Board of Directors and submitted to the shareholders' meeting for approval. If any director expresses dissent and the dissent is recorded in the minutes or submitted as a written statement, the Company shall submit the dissenting opinion to each independent director and to the shareholders' meeting for discussion.

   When these Operational Procedures are submitted to the Board of Directors for discussion, the Company shall fully consider the opinions of each independent director. Any dissenting or qualified opinion expressed by an independent director shall be recorded in the minutes of the Board meeting.

   Where the Company has established an Audit Committee, adoption or amendment of these Operational Procedures shall require the approval of one-half or more of all Audit Committee members and shall then be submitted to the Board of Directors for resolution. If approval by one-half or more of all Audit Committee members is not obtained, the procedures may nevertheless be adopted or amended with the approval of two-thirds or more of all directors, and the Audit Committee's resolution shall be recorded in the minutes of the Board meeting.

   "All Audit Committee members" and "all directors" as used above mean the actual number of persons currently holding those positions.
6. The Company shall assess or recognize contingent losses arising from endorsements/guarantees, adequately disclose relevant information in its financial reports, and provide its certified public accountants with the information necessary to perform required audit procedures.
7. A foreign company to which Article 165-1 of the Act applies (a "foreign company") shall apply these Operational Procedures mutatis mutandis when making endorsements/guarantees for others.

A foreign company that does not use a corporate seal need not apply Article 7.

For a foreign company, “net worth” as calculated under these Operational Procedures means equity attributable to owners of the parent as presented in its balance sheet.

8. These Operational Procedures were adopted on June 24, 2003.

Amended on June 15, 2006

Amended on June 18, 2009

Amended on June 13, 2011

Amended on June 28, 2013

Amended on June 27, 2014

Amended on May 25, 2018

Amended on May 31, 2019