Globe Union Industrial Corp.

Procedures for Loaning Funds to Others

Article 1: Purpose

For efficient fund management and reduction of financial risks, the Company establishes these operating procedures for loaning funds to others in accordance with Article 36-1 of the Securities and Exchange Act (the "Act"), the regulations of the competent authority, and other applicable laws and regulations.

Article 2: Eligible Borrowers

1. Other companies or firms with which the Company does business.
2. Other companies or firms for which short-term financing is necessary. The financing amount shall not exceed 40 percent of the net worth of the lending enterprise.

   The term "short-term" as used in paragraph 2 of this Article means one year or one operating cycle, whichever is longer. The term "financing amount" means the cumulative balance of short-term financing provided by a public company.
3. The restriction in paragraph 2 of this Article shall not apply to inter-company loans of funds between overseas companies in which the Company directly or indirectly holds 100 percent of the voting shares, nor to loans of funds to the Company by any overseas company in which the Company directly or indirectly holds 100 percent of the voting shares. The limit and term of the loan should still be determined in accordance with Article 5, Paragraph 3.

   If the person responsible for the Company violates the proviso of the preceding paragraph, that person shall be jointly and severally liable with the borrower for repayment; if the Company suffers any damage, that person shall also be liable for damages.
4. The terms "subsidiary" and "parent company" as used in these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "net worth" as used in these Procedures means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 3: Application Procedures

1. A borrower that is a non-affiliated enterprise applying for a loan from the Company shall complete a loan application form specifying the loan amount, term, and purpose. After the Finance Department conducts initial contact and credit investigation to understand the borrower's recent business and financial condition, and after the responsible unit prudently evaluates the feasibility of the

loan, negotiation records or a credit investigation report shall be prepared and submitted together with the loan application. The loan may be made only after approval by resolution of the board of directors or within the scope authorized by the board of directors.

2. A borrower that is an affiliated enterprise applying for a loan from the Company shall complete a loan application form specifying the loan amount, term, and purpose. After the responsible unit prudently evaluates the feasibility of the loan, the loan application shall be reviewed and processed in accordance with the procedures set forth herein. The loan may be made only after approval by resolution of the board of directors or within the scope authorized by the board of directors.
3. For the matters set forth in the preceding two paragraphs, if the Company has appointed independent directors, it shall take into full consideration the opinions of each independent director. If any independent director expresses dissent or a qualified opinion, such opinion shall be recorded in the minutes of the board of directors' meeting.

Article 4: Credit Investigation

1. For a first-time borrower, the borrower shall provide basic information and financial information necessary for the credit investigation.
2. For an existing borrower, the Company shall, in principle, conduct a credit investigation once each year. For material cases, the Company may increase the frequency of such investigations based on actual needs.
3. If the borrower is financially sound and its annual financial reports have been audited and certified by certified public accountants, the Company may use a credit investigation report that is more than one year old but less than two years old, together with the certified public accountants' audit report, when submitting the loan case for approval.

Article 5: Requirements for Loaning Funds

1. Reasons for and necessity of loaning funds to others:
   Where the Company loans funds to another company or firm due to business dealings, the loan shall comply with subparagraph 1 of paragraph 3. Where funds are loaned due to a need for short-term financing, such loan shall be limited to one of the following circumstances:
   (1). A company in which the Company holds 10 percent or more of the shares has a business need for short-term financing.
   (2). Another company or firm has a need for short-term financing for material purchases or operating working capital.
   (3). Any other loan of funds approved by the Company's board of directors.

2. The Company's review of borrowers shall include:
   (1). The necessity and reasonableness of loaning funds to others.
   (2). Credit investigation results and risk assessment.
   (3). Impact on the Company's business operations, financial condition, and shareholders' equity.
   (4). Whether collateral must be obtained and, if so, an appraisal of its value.
3. Loan limits
   (1). A company or firm with business dealings with the Company: The amount of each individual loan shall not exceed the amount of business dealings between the parties. The term "amount of business dealings" means the higher of the purchase amount or sales amount between the parties.
   (2). A company or firm with a short-term financing need: The amount of each individual loan shall not exceed 10 percent of the Company's net worth.
   (3). The aggregate amount of loans granted by the Company, including loans to companies or firms with business dealings with the Company and loans to companies or firms with short-term financing needs, shall not exceed 40 percent of the Company's net worth.
   (4). Loans of funds between overseas companies in which the Company directly or indirectly holds 100 percent of the voting shares, or loans of funds to the Company by any overseas company in which the Company directly and indirectly holds 100 percent of the voting shares, shall be subject to the aggregate loan limit, individual borrower limit, and loan duration set by the Company in accordance with applicable regulations.

Article 6: Loan Approval

1. If, after credit investigation or evaluation, the borrower is found to have poor credit, unsound business operations or financial condition, or an improper purpose for the loan, and the Company decides not to grant the loan, the Finance Department shall state the reasons for declining the application, submit them for approval, and promptly notify the borrower of the result and reasons.
2. If, after credit investigation or evaluation, the borrower has good credit, sound business operations and financial condition, and a proper purpose for the loan, and meets the Company's requirements for loaning funds, the Finance Department shall complete the credit investigation report with its comments, propose the loan terms and conditions, submit the matter to the Chairman for approval, and then submit it to the board of directors for resolution before processing.
3. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted to the board of directors for resolution in

accordance with the preceding paragraph. The board of directors may authorize the Chairman, within a certain amount resolved by the board of directors and for a period not exceeding one year, to make loans to the same borrower in installments or on a revolving basis. The authorized amount of loans by the Company or its subsidiaries to a single enterprise shall not exceed 10 percent of the net worth stated in the Company's or the subsidiary's latest financial statements.

4. If the Company has appointed independent directors, it shall take into full consideration the opinions of each independent director. If any independent director expresses dissent or a qualified opinion, such opinion shall be recorded in the minutes of the board of directors' meeting.

Article 7: Contract Signing and Identity Verification

1. For loan cases, the Finance Department shall submit the contract and promissory note to the supervisor responsible for review and approval before proceeding with contract signing.
2. The contents of the contract and promissory note shall be consistent with the approved loan terms and conditions. After the borrower and the joint guarantor, if any, sign and affix their seals to the contract and promissory note, the Finance Department shall complete the identity verification procedures.

Article 8: Collateral and Guarantee

1. To safeguard the Company's claims, any borrower, except for subsidiaries, shall deliver to the Company a guaranteed promissory note in an amount equivalent to the loan amount, and, if necessary, provide one or two appropriate guarantors.
2. If collateral is required for a loan case, the borrower shall provide such collateral and complete the procedures for creating a pledge or mortgage to reduce the Company's risk of non-collection and to safeguard the Company's claims.

Article 9: Insurance

1. All collateral, except land and securities, shall be covered by fire insurance. Vehicles shall be covered by comprehensive insurance. The insured amount shall, in principle, not be less than the mortgage value of the collateral, and the insurance policy shall name the Company as beneficiary.
2. The Finance Department shall monitor the insurance coverage and notify the borrower to renew the insurance before the insurance expires.

Article 10: Disbursement

After a loan has been approved, the borrower has signed the contract and delivered the promissory note for custody, and, if collateral is required, the registration of the mortgage or pledge over the collateral has been completed, funds may be disbursed only after all procedures have been verified as correct.

Article 11: Duration of Loans and Calculation of Interest

1. The duration of loans shall not exceed one year. If necessary, an extension may be granted only with the approval of the board of directors obtained before the loan becomes due.
2. The interest rate for loans of the Company's funds shall not be lower than the highest interest rate applicable to funds borrowed by the Company from financial institutions for the same period. If the Company has no bank borrowings during the period, interest shall be calculated at the Bank of Taiwan base lending rate plus 1 percent.

Article 12: Subsequent Control and Management Measures

1. After funds are disbursed, the Company shall regularly monitor the financial, business, and credit status of the borrower and guarantor. If collateral has been provided, the Company shall also monitor whether there is any change in the value of the collateral. One month prior to the maturity date of the loan, the Company shall notify the borrower to repay the principal and interest upon maturity or apply for an extension.
2. When the borrower repays the loan upon maturity or before maturity, the interest payable shall first be calculated and repaid together with the principal. Only thereafter may the Finance Department cancel the promissory note, loan receipt, and other evidence of creditor's rights and return them to the borrower.
3. If the borrower applies for cancellation of a mortgage, the Company shall first verify that no loan balance remains outstanding before consenting to the cancellation of the mortgage.

Article 13: Procedures for Handling Delinquent Claims

1. If, after a loan becomes due, the borrower fails to repay the principal and interest or complete the extension procedures, the Company shall give the required notice and promptly take legal measures to preserve its claims.
2. The Company shall evaluate the status of its loans of funds, reserve sufficient allowance for bad debts, adequately disclose relevant information in its financial reports, and provide certified public accountants with related data for implementation of necessary auditing procedures.

Article 14: Public Announcement and Reporting

1. The Company shall announce and report the loan balances of the Company and its subsidiaries for the preceding month by the 10th day of each month.
2. Loans of funds reaching one of the following thresholds shall be announced and reported within two days commencing immediately from the date of occurrence:
   (1). The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
   (2). The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
   (3). The amount of new loans of funds by the Company or its subsidiaries reaches NT$10 million or more and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.
3. The Company shall announce and report on behalf of any subsidiary that is not a public company of the Republic of China any matter that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.
4. The term “public announcement and reporting” as used in these Procedures means entry of the relevant information into the information reporting website designated by the Financial Supervisory Commission.
5. The term “date of occurrence” as used in these Procedures means the date of contract signing, date of payment, date of the board of directors’ resolution, or any other date on which the borrower and loan amount can be confirmed, whichever is earliest.

Article 15: Other Matters

1. When handling matters involving loans of funds, the Company shall establish a memorandum book and record in detail the borrower, amount, date of approval by the board of directors, date of disbursement, and matters required to be prudently evaluated under the applicable regulations.
2. Where any subsidiary of the Company intends to loan funds to others, the Company shall instruct the subsidiary to establish its own operating procedures for loaning funds to others in accordance with these Procedures, and the subsidiary shall handle such matters in accordance with its established procedures.
3. The Company's internal auditors shall audit the operational procedures for loaning funds 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.

4. If, as a result of a change in circumstances, a borrower no longer meets the requirements under these Procedures or the loan balance exceeds the applicable limit, the Company shall adopt a rectification plan, submit the relevant rectification plan to the Audit Committee, and complete the rectification according to the timeframe set out in the plan.
5. If the Company's managers or responsible persons violate applicable regulations or these Procedures, disciplinary action shall be handled in accordance with the Company's Reward and Punishment Management Regulations.
6. Any matters not provided for in these Procedures shall be handled in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies announced by the competent authority.
7. These Procedures shall be approved by the board of directors and then submitted to the shareholders' meeting for approval. If any director expresses dissent and such dissent is recorded in the minutes or in a written statement, the Company shall submit the dissenting opinion to each independent director and to the shareholders' meeting for discussion. The same shall apply to any amendment to these Procedures.

   When the Company submits these Procedures to the board of directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of each independent director. If any independent director expresses dissent or a qualified opinion, such opinion shall be recorded in the minutes of the board of directors' meeting.

   Where the Company has established an Audit Committee, the matter shall require the approval of one-half or more of all Audit Committee members and shall be submitted to the board of directors for resolution; the provisions of paragraph 2 shall not apply.

   If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the matter may be approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors' meeting.

   The terms "all Audit Committee members" and "all directors" in the preceding two paragraphs shall be counted based on the actual number of persons currently holding those positions.
8. A foreign company as specified in Article 165-1 of the Act shall comply mutatis mutandis with these Procedures when loaning funds to others.

   The net worth of a foreign company calculated under these Procedures means

the balance sheet equity attributable to the owners of the parent company.

9. These Procedures were enacted 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