

# **ScinoPharm Taiwan, Ltd.**

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

#### **Article 1**

The Company is duly organized under the Company Act of the Republic of China (Taiwan) as a company limited by shares and named ScinoPharm Taiwan, Ltd.

#### **Article 2**

The business items of the Company are as follows:

- (1) C802041 Manufacture of pharmaceuticals;
  - (2) C801990 Manufacture of other chemical materials;
  - (3) IG01010 Biotechnological services;
  - (4) F601010 Intellectual property rights related services
  - (5) F401010 International trade.
- <<1. Research, development, production, manufacture and distribution of the following products: (1) generic APIs, (2) protein drugs, (3) oligonucleotide, (4) peptide, (5) injection formulation, (6) small-molecule new drugs.
2. Consulting, advisory and technical services relating to the above products.
  3. International trade in connection with the above products.>>

#### **Article 3**

The Company having its head office established at the Southern Taiwan Science Park may, where necessary, set up branch offices and representative offices at home or abroad in accordance with the relevant resolution adopted by the meeting of the Board of Directors subject to the approval of the competent authority.

#### **Article 4**

Subject to the resolution adopted by the meeting of the Board of Directors, the Company may act as guarantor pursuant to the Company's relevant policy in consideration of meeting business needs.

#### **Article 5**

The total amount of investments made the Company may account for 40% or more of the paid-in capital of the Company irrespective of the limitation provided in Article 13 of the Company Act, provided that the investments must be in accordance with the relevant resolution adopted by the meeting of the Board of Directors.

### **Chapter 2 Capital**

#### **Article 6**

The Company has Ten Billion New Taiwan Dollars (TWD10,000,000,000) in authorized capital divided into one billion shares (1,000,000,000) with a value of Ten New Taiwan Dollars each (TWD10) to be issued in separate batches by the Board of Directors authorized to do so with a total of 7,000,000 shares to be reserved for issuance of stock option certificates.

**Article 7**

All of the shares of the Company are registered shares each bearing the signature or seal of three or more Directors of the Company and shall be issued upon certification thereof by the competent authority or its authorized registrar. The Company may elect not to produce the share certificate on the shares issued, provided that the Company must complete the registration of the issued shares with the securities central depository institution.

**Article 8**

All of the shares of the Company are registered shares. The individual shareholder will have his/her personal name and address and the corporate shareholder will have its corporate designation and its legal representative's personal name and address recorded in the Company's shareholders' roster. Joint shareholders of the share (if any) shall elect one among themselves for the purpose of the above recordation in the shareholders' roster.

**Article 9**

The shareholder or the legal holder of the share certificate lost or destroyed shall make a report to the police upon information of the loss or destruction and fill out the relevant request form to have the loss or destruction of the share certificate registered with the Company. The shareholder or the legal holder shall at the same time file a request with the competent district court to have a relevant public notice made pursuant to the Taiwan Code of Civil Procedure and present the court judgment on the exclusion of rights in the share(s) affected to the stock affairs agency of the Company to request for re-issuance of the share certificate.

**Article 10**

The stock affairs agency of the Company may collect reasonable procedural charges on each request for re-issuance of share certificate on account of the transfer, division of the share or the loss, damage or destruction of the share certificate.

**Article 11**

The shareholder shall disclose his/her/its legal name and address of his/her/its domicile to the stock affairs agency of the Company and fill out and deliver the specimen card of his/her/its seal to the Company for record.

Except as otherwise provided by the relevant laws, orders or securities related regulations, the public offering of the shares of the Company shall be in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

**Article 12**

The shareholder who lost his/her/its seal the specimen of which is imprinted in the seal specimen card kept by the Company for record shall give a written notice to the Company upon information of the loss and issue a request to the stock affairs agency of the Company to have his/her/its new seal registered.

**Article 13**

Transfer of shares of the Company will cease for a period of thirty (30) days prior to the general shareholders' meeting, fifteen (15) days prior to the extraordinary shareholders' meeting, and five (5) days prior to the start date of distribution of dividend, bonus or other interests in the shares held. Subject to the public offering of the Company, the Company shall cease the transfer of shares of the Company within a period of sixty (60) days prior to the general shareholders' meeting and thirty (30) days prior to an extraordinary shareholders' meeting.

**Chapter 3 Shareholders' Meeting****Article 14**

The meeting of the shareholders of the Company will be the general shareholders' meeting to be convened by the Board of Directors each year within six (6) months after the end of that fiscal year or an extraordinary shareholders' meeting to be duly convened from time to time when necessary.

**Article 15**

The meeting of the shareholders of the Company shall be convened in accordance with the Company Act, Securities and Exchange Act, and the relevant laws and regulations according to the public announcement or notice issued by the competent securities authority.

The notice of the meeting of the shareholders of the Company may be issued electronically on the consent of the shareholder.

**Article 16**

Except as otherwise provided by the Company Act, the shareholders' meeting must be attended by the shareholders whose total shares held represent the majority of the total issued shares of the Company. The resolution of the shareholders' meeting must be adopted by the majority of the votes represented at the meeting.

**Article 17**

Except those subject to restrictions or in one of events provided in Article 179 of the Company Act, the shareholder of the Company will have one vote on each share held.

The shareholder may cast his/her vote at the shareholders' meeting in writing or electronically in accordance with the Company Act and the laws, regulations established and orders issued by the competent securities authority.

**Article 18**

The shareholder who for whatever reason is unable to attend the shareholders' meeting in person may designate a proxy to attend and act in his/her stead at the meeting by executing the proxy letter form prepared by the Company specifying the scope of authorization to the proxy. The proxy designated may be a non-shareholder of the Company. Subject to the public offering of the Company,

designation of proxies for the purpose of the shareholders' meeting of the Company shall be in accordance with the Regulations Governing Use of Proxy Letters to Attend the Shareholders' Meetings of Public Companies.

#### **Article 19**

The meeting of the shareholders of the Company shall be convened by the Board of Directors and presided by the Chairman/Chairwoman of the Board of Directors. If he/she has requested for leave from the meeting or is for whatever reason unable to attend and exercise his/her powers and duties at the meeting to, the Chairman/Chairwoman shall designate a Director to act in his/her stead. Absent the above designation by the Chairman/Chairwoman, the Directors shall elect one from among themselves to act as the chairperson of the meeting. Where the shareholders' meeting is not convened by the Board of Directors, the meeting shall be presided by the person who convened the meeting.

Except as otherwise provided by the Company Act or the relevant laws and regulations, the shareholders' meeting of the Company must be attended by the shareholders (attending the meeting in person or by proxy) whose total shares held represent the majority of the total issued shares of the Company and a resolution must be adopted by the majority of the votes represented at the meeting. A resolution may be deemed adopted when no objection or opposition is expressed by any of the shareholders present at the meeting in response to the chairperson's inquiry for opinion, which resolution shall be as effective and binding as one adopted by voting.

#### **Article 20**

The issues presented for discussion and/or resolution at the shareholders' meeting and the resolution adopted by the meeting shall each be recorded in the minutes of the meeting, which meeting minutes must be signed or sealed by the chairperson and a copy of which shall be distributed to the shareholders of the Company each within twenty (20) days after the meeting. The above meeting minutes may be produced and distributed electronically. The minutes of the shareholders' meeting shall be kept by the Company together with the relevant signed attendance book and proxy letters received. The Company may distribute the above minutes of the shareholders' meeting electronically.

#### **Article 21**

Subject to the public offering of the Company, the Company may withdraw the public offering on and only on the relevant resolution adopted by the shareholders' meeting other than that adopted by the meeting of the Board of Directors.

### **Chapter 4 Directors**

#### **Article 22**

Compensation to the Directors of the Company will be determined by the Board of Directors by reference to the common standards adopted by the trade home and abroad.

**Article 23**

The Company will have fifteen (15) Directors to be elected by the shareholders' meeting from the shareholders with disposing capacity.

Two or more of the above Directors shall be independent directors, and the total number of independent directors shall account for not less than one fifth (1/5) of the total number of directors.

Directors are to be elected by the shareholders' meeting from among the candidates nominated.

The special qualification, required shareholding, restriction on concurrent positions held, determination of impartiality, method of nomination and method of election of the independent directors and other relevant legally required matters shall be in accordance with the Company Act and the relevant laws and regulations prescribed by the competent securities authority.

**Article 24**

The Directors each of the Company will serve an office term of three years and may be re-elected; but the independent director shall serve in office for a term of not more than nine (9) years. Subject to the relevant resolution adopted by the meeting of the Board of Directors, liabilities insurance will be procured for the Director elect. Subject to the public offering of the Company, the total shareholding of the Directors and the Supervisors of the Company as a whole shall be in accordance with the Company Act and the regulations prescribed by the competent securities authority.

The Company has an Audit Committee formed by all of the independent directors under the Securities and Exchange Act. The establishment, functions, powers and authorities, rules for the meetings and other legal compliance matters of the Audit Committee shall be in accordance with the relevant regulations issued by the competent securities authority.

**Article 25**

The Directors shall elect one from among themselves to act as the Chairman/Chairwoman of the Board of Directors of the Company.

**Article 26**

The Chairman/Chairwoman of the Board of Directors shall externally represent the Company and internally preside the shareholders' meetings and the meetings of the Board of Directors.

**Article 27**

The meeting of the Board of Director shall be convened by the Chairman/Chairwoman of the Board of Directors except the first meeting of a new Board of Directors that shall be convened by the Director who won the highest vote of all Directors elect. A written notice of the meeting of the Board of Directors shall be issued by facsimile or by email to the Directors each at least seven (7) days prior

to the scheduled meeting date, which notice shall explicitly indicate the scheduled date, venue and agenda of the meeting. In the event of urgency, the meeting of the Board of Directors may be convened at any time with or without the above notice being issued.

#### **Article 28**

The meeting of the Board of Directors shall be presided by the Chairman/Chairwoman of the Board of Directors. If he/she is for whatever reason unable to preside the meeting, he/she shall designate a Director to act in his/her stead. Absent the above designation, the Directors shall elect one from among themselves to preside the meeting in deputy.

#### **Article 29**

The Directors shall vote to approve or disapprove and exercise their powers and duties with respect to the matters proposed on the agenda at the relevant meeting of the Board of Directors which shall be convened at least once every quarter. Except as otherwise provided by the Company Act, the resolution with respect to the revision of these Articles of Incorporation as provided in subparagraph (1) below must be adopted by three fourths (3/4) or more of all of the Directors of the Company and with respect to other matters by two thirds (2/3) or more of all of the Directors of the Company:

- (1) Revision of these Articles of Incorporation.
- (2) Contract with a proposed value equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so).
- (3) Major capital expenditure not included in the relevant approved budget with a proposed sum equal to or exceeding the relevant authorized amount (which authorized amount is to be defined by the Board of Directors authorized to do so), which proposed sum cannot be divided into smaller amounts to obtain easy approval and which proposed sum as approved cannot be divided for spending.
- (4) Establishment of company bylaws with respect to the handling of transactions where the Company is to externally provide guaranty, endorsement, accept to honor, commit, advance payments, provide lending, procure loan, sell account receivables.
- (5) Establishment and removal of branches and offices of the Company.
- (6) Investment in, merge or acquire other businesses.
- (7) Transfer, assignment, sale, lease, pledge, mortgage or otherwise dispose of the entire assets or important assets of the Company.
- (8) Transaction by and between the Company and its affiliate or the shareholder, director of the Company or their relative.
- (9) Approval and revision of agreements proposed on transfer or licensing of technology, know-how or patent right.
- (10) Approval and revision of trademark license agreement with an effective term of one year or more.
- (11) Proposed earnings distribution plan (or loss makeup plan).
- (12) Review and approval of proposed budgetary plan and final accounting.

- (13) Proposed increase or decrease in the capital of the Company.
- (14) Proposed operation plan; proposed factory construction or expansion projects.
- (15) Appointment, re-appointment and dismissal of the certified public accountant, legal counsel of the Company and the lead underwriter and secondary underwriter handling the public listing or over-the-counter trading of the shares of the Company.
- (16) Appointment and dismissal of the general manager of the Company.
- (17) Establishment of the bylaws with respect to the powers and authorization to be exercised by the Chairman of the Board of Directors and the general manager respectively.
- (18) Establishment of bylaws with respect to the hiring, promotion of employees and the salary payment policy.
- (19) Other bylaws with respect to the organization of the Company and the relevant implementation rules.
- (20) Other matters proposed that must be duly submitted to the shareholders' meeting for approval.

### **Article 30**

The Director may issue a written proxy to designate another Director to attend the meeting of the Board of Directors and exercise his/her voting right on all proposed matters at the meeting in his/her stead; provided that a Director may act as the proxy for one and only one of the other Directors.

### **Article 31**

The resolutions adopted by the meeting of the Board of Directors shall be recorded in the minutes of the meeting, which meeting minutes must be signed or sealed by the Chairman of the Board of Directors or the chairperson of the meeting with a copy thereof distributed to the Directors each. The meeting minutes shall be kept by the Company together with the relevant attendance book and written proxies received.

### **Article 32**

The functions, powers and duties exercised by Supervisors under the Company Act, Securities and Exchange Act and other laws and regulations shall apply to the Audit Committee with necessary and appropriate alterations upon the establishment of the Audit Committee.

### **Article 33**

The Company may establish various functional boards or committees under the relevant organization rules to be prescribed by the meeting of the Board of Directors in accordance with the relevant laws and regulations.

### **Article 34**

The Board of Directors may have a number of secretaries or assists to take charge of keeping the minutes of the meetings of the Board of Directors and the shareholders' meetings and all of the important documents, contracts, agreements and instruments of the Company.

### **Article 35**

The Company shall be liable and reimburse for the loss incurred in the course of the Director's performance of his/her functions and duties, which loss is not attributable to the same Director. For the purpose of protecting the Company from the above liability, the Company shall procure liabilities insurance for the Directors each by reference to the coverage commonly adopted by the trade home and abroad.

## **Chapter 5 Managerial Officers**

### **Article 36**

The Company may have a general manager a number of deputy general managers and managers. The general manager and the deputy general manager shall be appointed / dismissed by the meeting of the Board of Directors. The managers each shall be appointed / dismissed by the general manager, which appointment / dismissal shall be reported to the Board of Directors for reference.

### **Article 37**

The general manager acting in accordance with the instruction of the Chairman of the Board of Directors shall take general charge of the day-to-day affairs of the Company and supervise, carry out and manage the operation of the Company.

### **Article 38**

The Company shall be held liable and reimburse for the loss incurred in the course of the general manager's and the deputy general manager's performance of their functions and duties, which loss is not attributable to him/her. For the purpose of protecting the Company from the above liability, the Company shall procure liabilities insurance for the general manager and the deputy general manager each by reference to the coverage commonly adopted by the trade home and abroad.

## **Chapter 6 Fiscal Reports**

### **Article 39**

The Company shall produce and present the following statements and documents after the end of each fiscal year to the meeting of the Board of Directors for adoption and thereafter to the general shareholders' meeting for ratification:

- (1) Business report.
- (2) Financial statements.
- (3) Proposed earnings distribution plan or loss makeup plan.

### **Article 40**

Should the Company earn surpluses within the current term, at least two percent of surpluses should be set aside for employee compensation, and no more than two percent of surpluses should be set aside for director compensation. However, if the Company has accumulated losses, surpluses should be held in reserve to make up said loss.

The surpluses within the current term of the previous paragraph refer to pre-tax profits prior to deduction of employee and director compensation.



Recipients of employee compensation include employees subordinate to the Company that comply with certain conditions.

## **Chapter 7 Supplemental Provisions**

### **Article 41**

In consideration of the changeable environment of the Company's business, the Board of Directors shall take into account the Company's future capital expenditures and capital calls to determine the proposed amounts of reserved earnings, the distributable earnings, and the cash dividends when drawing up the proposed earnings distribution plan. Ten percent (10%) of the Company's surplus as of the final accounting of the fiscal period net of the business income tax payable for the period, makeup for losses accumulated from previous year(s), shall be allocated for legal reserves. The balance (if any), less the duly allocated or transferred amount for special reserves, the sum of said balance combined with the undistributed earnings carried forward from the previous period will be the accumulative earnings distributable for the term, and fifty to one hundred percent (50%~100%) of which sum will be the total amount of dividend to be distributed to the shareholders of the Company with 30% or more thereof distributed in cash. Subject to the relevant resolution adopted by the shareholders' meeting, the accumulative earnings distributable will be distributed according to the distribution plan proposed by the Board of Directors.

### **Article 42**

Matters not addressed herein shall be in accordance with the Company Act of the Republic of China (Taiwan) and the relevant laws and regulations prescribed and announced by the competent authority.

### **Article 43**

These Articles of Incorporation established on 16 October 1997 have been revised as follows: 1st revision of 17 March 1998, 2nd revision of 7 April 1999, 3rd revision of 21 July 2000, 4th revision of 3 December 2001, 5th revision of 13 June 2002, 6th revision of 13 March 2003, 7th revision of 30 June 2003, 8th revision of 30 June 2003, 9th revision of 14 May 2004, 10th revision of 3 June 2005, 11th revision of 3 October 2005, 12th revision of 15 February 2006, 13th revision of 7 June 2006, 14th revision of 18 June 2009, 15th revision of 25 September 2009, 16th revision of 29 April 2010, 17th revision of 9 December 2010, 18th revision of 13 June 2012, 19th revision of 21 June 2013, 20th revision of 18 June 2014 and 21st revision of June 27, 2016.

**ScinoPharm Taiwan, Ltd.**  
**Kao-Huei Cheng**  
**Chairman of the Board of Directors**