



# Lin BioScience, Inc.

## Articles of Incorporation

### Chapter 1 General Provisions

- Article 1 The Company is incorporated as a company limited by shares in accordance with the Company Act, the Chinese name is 仁新醫藥股份有限公司, and the English name is Lin BioScience, Inc..
- Article 2 The scope of business of the Company is as follows:
1. IG01010 Biotechnology service.
  2. F108021 Wholesale of Drugs and Medicines.
  3. F108031 Wholesale of Medical Devices.
  4. F208021 Retail sale of Drugs and Medicines.
  5. F208031 Retail Sale of Medical Devices.
  6. F208050 Retail sale of the Second Type Patent Medicine.
  7. F401010 International trade.
  8. IC01010 Pharmaceuticals Examining Services.
  9. IG02010 Research Development service.
  10. F601010 Intellectual property.
  11. ZZ99999 All business items not prohibited or restricted by law, except for those subject to special permission.
- Article 3 The Company may provide endorsement or guaranty to others in accordance with the Procedures for Endorsement and Guaranty of the Company due to the operational needs.
- Article 4 By the adoption of the resolution of the board of directors, the Company may make domestic or foreign investments through acting as a shareholder with limited liability in other companies. Such investment of the Company is exempted from the prohibition by Article 13 of the Company Act, which prescribed that the investment shall not exceed 40 percent of the paid-in capital of the Company.
- Article 5 The company's head office is located in Taipei City, when necessary, branch office may be incorporated both at home and abroad according to the adoption of the resolution of the board of directors.

Article 6      The public announcements of the Company shall be made pursuant to Article 28 of the Company Act and provisions of competent authority in charge of securities.

## Chapter 2 Shares

Article 7      The total authorized capital of the Company is NT\$1 billion, divided into 100 million shares with a par value of NT\$10 per share. The board of directors is authorized to issue the unissued shares in installments according to the actual needs of the Company's business. Among the said total authorized capital, NT\$100 million is reserved for issuing employee stock options, divided into 10 million shares with a par value of NT\$10 per share, the board of directors is authorized to issue in installments as needed.

Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, entitled to receive shares from transfer of treasury shares, employee stock options, new shares reserved for employee subscription, and restricted stock awards, shall be determined by the board of directors.

Article 8      If the Company plans to transfer shares to employees at a price lower than the average actual share repurchase price, such transfer shall be approved by two-thirds or more of the voting rights at the most recent shareholders' meeting attended by shareholders representing a majority of total outstanding shares of the Company.

Article 9      If the Company plans to issue employee stock options that are not subject to the exercise price restriction set out in Article 53 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, such issuance shall be approved by two-thirds or more of the voting rights at a shareholders' meeting attended by shareholders representing a majority of the total outstanding shares of the Company. The Company is allowed to register multiple issues within 1 year from the date of the shareholders resolution.

Article 10     The Company's share certificates shall bear the shareholders' names and be signed or sealed by the director representing the Company, and will be issued after certification pursuant to law. The shares issued by the Company may be exempted from printing share certificates, but shall be registered in centralized securities depository enterprise. Any issuance of other types of security of the Company shall be subject to the aforementioned restriction.

Article 11      The entries of the shareholders' roster shall not be altered within 60 days prior to the convening date of an annual shareholders' meeting, within 30 days prior to the convening date of an extraordinary shareholders' meeting, or within 5 days prior to the record date decided by the Company for distribution of dividends, bonus or other interests.

Article 12      Handling of stock affairs by the Company, unless otherwise specified by laws and securities regulations, shall be subject to the Guidelines for Handling Stock Affairs of Listed Company issued by competent authority in charge of securities.

### Chapter 3 Shareholders' Meeting

Article 13      Shareholders' meetings include annual shareholders' meeting and extraordinary shareholders' meeting. Annual shareholders' meeting shall be held once a year and convened by the board of directors within six months after the end of each fiscal year. Extraordinary shareholders' meeting may be convened pursuant to law when necessary.

Article 14      A notice to call an annual shareholders' meeting shall be sent to each shareholder no later than 30 days prior to the meeting date; a notice to call an extraordinary shareholders' meeting shall be sent to each shareholder no later than 15 days prior to the meeting date. Such notice shall state the meeting date, location, and convening cause for the meeting. The meeting notice may be given via electronic transmission upon the consent of the receiving party. For the shareholders who hold shares less than one thousand shares could be notified by public announcement.

Article 15      For a shareholders' meeting convened by the board of directors, the chairman of the board of directors shall preside the meeting. In case the chairman of the board of directors is on leave or unable to exercise his/her power and authority for any cause, the chairman of the meeting shall be appointed in accordance with Article 208 of the Company Act. For a shareholders' meeting convened by any other person having convening right, such convener shall act as the chairman of the meeting. If there are two or more persons having convening right, the chairman of the meeting shall be elected amongst such conveners.

Article 16      When a shareholder is unable to attend the shareholders' meeting, such shareholder may appoint a proxy with the proxy form which shall be printed by the Company and

specify the scope of authority to attend the meeting. Except for Article 177 of the Company Act, all matters concerning proxies to attend the meeting shall also be in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by competent authority.

- Article 17 Unless there is any restriction on the voting right of the shares or any circumstance as specified in Article 179 of the Company Act, every shareholder entitled to vote shall have one voting right for each share in his/her/its possession. For the shareholders' meeting convened after the Company listing on over-the-counter market or stock exchange market, the method for exercising the votes by way of electronic transmission shall be stated in the meeting notice. A shareholder who exercises his/her/its voting right at a shareholders' meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. Matters concerning the written electronic transmission shall be in compliance with laws and regulations.
- Article 18 Unless otherwise prescribed by the Company Act and other applicable laws, the resolution of the shareholders' meeting shall be adopted by a majority of the voting rights of the shareholders and his/her/its proxies present, who shall represent a majority of the total outstanding shares of the Company.
- Article 19 Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes which shall be signed or sealed by the chairman of the meeting and distributed to all shareholders within 20 days of the close of the meeting. The preparation and distribution of such meeting minutes shall be handled pursuant to Article 183 of the Company Act.
- Article 20 If the Company plans to revoke the public offering of the shares of the Company, such plan should be approved by the shareholders' meeting. This article shall not be amended when the Company listing on emerging stock market, over-the-counter market, or stock exchange market in the future.

#### Chapter 4 Board of Directors and Audit Committee

- Article 21 The Company shall have a board consisting of 5 to 9 directors to be elected from among the shareholders with disposing capacity at a shareholders' meeting. The tenure of office of the directors shall not exceed 3 years, but they may be eligible for re-election.

Within the number of directors specified in the preceding paragraph, the Company shall appoint at least 3 independent directors to constitute one-fifth or more of the total number of directors. The Company shall adopt a candidate nomination mechanism for the election of the independent directors and the shareholders shall elect the independent directors from the list of the independent director candidates so nominated. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and election and other requirements with regard to the independent directors shall be in compliance with relevant regulations of competent securities authority.

After the Company listing on over-the-counter market or stock exchange market, the Company is required to adopt a candidate nomination mechanism pursuant to Article 192-1 of the Company Act to elect directors. The shareholders shall elect the directors from among the candidates.

1 of Article 21 The board of directors of the Company may establish various functional committees. The member qualifications, authorities, and other matters shall be decided by the board of directors in compliance with laws and regulations.

The Company establishes Audit Committee which shall comprise of all independent directors pursuant to 4 of Article 14 of Securities Exchange Act, one of committee members shall be the convener, and at least one of them shall have accounting or financial expertise. Audit Committee and committee members are responsible for executing the function and power of supervisor pursuant to the Company Act, Securities Exchange Act and other legal provisions.

Article 22 The total number of the Company's shares held by all directors, except for independent directors, shall be in compliance with Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Article 23 The Board is constituted by the directors. The chairman of the board shall be elected from among the directors by a majority of the voting rights at a meeting attended by two-thirds or more of the directors. The chairman of the board shall represent the Company and exercise power and authority in accordance with laws, these articles, and the resolutions of shareholders' meeting and board meeting. In case the chairman of the board of directors is on leave or unable to exercise his/her power and authority for any cause, his/her proxy shall be determined in accordance with Article 208 of the Company Act.

Article 24 Unless otherwise provided in the Company Act, resolutions at a board meeting shall

be adopted by a majority of the voting rights at a meeting attended by more than one-half of the directors. If a director is unable to attend the meeting for any reason, he/she may appoint another director to attend the meeting of the board of directors on his/her behalf with a proxy form stating the scope of authority with reference to the subjects to be discussed at the meeting each time. A director may accept the appointment to act as a proxy of one other director only.

- Article 25      The notice for convening a meeting of the board shall state the subject(s) to be discussed and shall be given to each director no later than 7 days prior to the meeting. In the case of an emergency, a meeting may be convened at any time. Directors may be notified about the convening of a meeting through writing, email or facsimile. The meeting of the board may be conducted via video conference. A director who attends the meeting of the board via video conference shall be deemed to have attended such meeting in person.
- Article 26      The board of directors is authorized to determine the remuneration of directors by taking into account their respective involvement in the operations of the Company and their contribution to the Company as well as the common remuneration standards adopted by other companies in the same industry. Furthermore, if the directors of the Company holds any position in the Company, in addition to the remuneration distributed pursuant to Article 30 hereof, monthly payment of salary based on the standard of general managers may also be granted.  
The Company may purchase liability insurance for directors to indemnify the duties performed by them against the potential legal liability.
- Article 27      When the number of vacancies in the board equals to one-third of the directors or all independent directors are dismissed, the board of directors shall convene an extraordinary shareholders' meeting within 60 days for the by-election. The term of the succeeding directors shall be the same as those of the other directors.

## Chapter 5 Manager

- Article 28      The Company may have several managers, and their appointment, dismissal, and remuneration shall be decided by a resolution adopted by a majority of the voting rights at a meeting of the board of directors attended by more than one-half of the directors.  
The manager shall operate the business in accordance with the resolutions adopted by the board meeting, and their appointment and dismissal shall be resolved by the board



meeting.

With the written authorization documents signed or sealed by the authorized person empowered by a resolution adopted by the board meeting, the aforementioned manager can handle external endorsements or guarantees, execution of contracts, and provide personal signatures on credit instruments on behalf of the Company.

## Chapter 6 Accounting

Article 29      The fiscal year of the Company commences from January 1 to December 31. At the close of each fiscal year, the board of directors shall prepare the following reports and then submit the same to annual shareholders' meeting for ratification:

- (1) Business Report;
- (2) Financial Statements;
- (3) Proposal for distribution of profit or appropriation of loss.

Article 30      When the Company has profit which means profit before tax, employee remuneration and director remuneration) for a fiscal year, at least 10% of the profit shall be reserved as the employee remuneration, which may be paid in the form of shares or in cash pursuant to a resolution adopted by a majority of the voting rights at a meeting attended by two-thirds or more of the directors. Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, shall be determined by the board of directors. At most 5% of the profit shall be reserved as the director remuneration by a resolution adopted by the board of directors. The distribution of employee remuneration and director remuneration shall be reported to the shareholders' meeting. However, in the event that the Company still has an accumulated deficit, an amount shall be reserved to make up the deficit before appropriating employee remuneration and director remuneration according to the aforementioned percentages.

Article 31      When there is any profit for distribution in a given fiscal year, the Company shall first pay all applicable taxes and make up losses of previous years. Then, the Company shall set aside 10% of the remaining profit as a legal reserve, unless such legal reserve is equal in an amount to the paid-in capital of the Company, and then set aside or reverse a special reserve in accordance with laws and regulations. The board may submit the distribution proposal to set aside the remaining profit of the relevant fiscal year and previous fiscal years according to the business needs of the Company for the approval of the shareholders' meeting.

The Company may distribute dividends and bonuses or its legal reserve and capital

reserve in whole or in part may be paid in cash by a resolution adopted by a majority of the voting rights at a meeting attended by two-thirds or more of the directors, and then submit a report of such distribution to the shareholders' meeting.

If the purpose or reason of reserving the said special reserve in the preceding paragraph has been changed or adjusted, it shall be reversed into retained earnings pursuant to regulations or competent authority.

Article 32 The distribution of the dividends of the Company shall coordinate with the current and future development plans, investment environment, financing requirements, competition domestically and abroad, as well as take into consideration of the interests of shareholders. The Company may set aside at least 10% of distributable profit of a fiscal year as shareholders' dividends and bonuses, unless the accumulated distributable profit is less than 20% of paid-in capital of the Company. Dividends and bonuses to shareholders would be distributed in the form of shares or in cash, and cash dividends shall be no less than 30% of the aggregate dividends. Provided the type and ratio of such dividend distribution shall be resolved by the shareholders' meeting according to the actual profit and capital position of the relevant fiscal year.

Article 33 Matters not covered by the Article of Incorporation shall be handled according to the provisions of the Company Act and applicable laws.

Article 34 The Articles of Incorporation was made on May 3, 2016.  
The first amendment was made on July 20, 2016.  
The second amendment was made on October 13, 2016.  
The third amendment was made on June 25, 2018.  
The fourth amendment was made on September 27, 2018.  
The fifth amendment was made on June 28, 2019.

Lin BioScience, Inc.

Chairman: Yu-Hsin Lin

