

TWI PHARMACEUTICALS, INC.

ARTICLES OF INCORPORATION

Chapter I General Provisions

- Article 1 The Company shall be named TWI PHARMACEUTICALS, INC. and incorporated as a company limited by shares in accordance with the Company Law of the Republic of China (the “ROC”).
- Article 2 The Company shall engage in
- (1) IZ299990 Other Industry and Commerce Services Not Elsewhere Classified (Development and Transfer of Pharmaceuticals).
 - (2) F108021 Wholesale of Drugs and Medicines.
 - (3) F208021 Retail Sale of Drugs and Medicines.
 - (4) F108031 Wholesale of Drugs, Medical Goods.
 - (5) F208031 Retail sale of Medical Equipment.
 - (6) F401010 International Trade.
 - (7) F108040 Wholesale of Cosmetics.
 - (8) F208040 Retail Sale of Cosmetics.
 - (9) F102170 Wholesale of Food and Grocery.
 - (10) F203010 Retail sale of Food and Grocery.
 - (11) IG01010 Biotechnology Services.
 - (12) I301010 Software Design Services.
 - (13) C802041 Drugs and Medicines Manufacturing.
 - (14) ZZ99999 Any business not prohibited or restricted by law other than the types of business requiring special permission.
- Article 3 The Company’s head office shall be located in Taipei City. The board of directors of the Company (the “Board”) may decide to establish branch offices or representative offices in or outside the ROC and the incorporation, deregistration or relocation of such branch offices or representative offices are subject to the resolutions of the Board and the approval of the relevant authorities.
- Article 4 The Company may also make investments in another company through acting as a shareholder with limited liability of the investee company, and such investment may exceed forty percent (40%) of the paid-in capital of the Company, notwithstanding Article 13 of the Company Law. The Board is hereby authorized to make such investments according to the actual needs of the Company.
- Article 5 The Company may provide guarantees to others in accordance with the “Procedures for Endorsement and Guarantee” of the Company.

Chapter II Shares

- Article 6 The Company's total authorized capital is NT\$2,000,000,000, divided into 200,000,000 shares, each with a par value of NT\$10. The total authorized capital shall be paid in instalments. The Board is hereby authorized to issue the unissued shares in accordance with the actual needs of the Company's business.
20,000,000 shares of the aforesaid total authorized capital are reserved for employee stock options and the Board is hereby authorized to issue in instalments in view of the actual needs.
- Article 6-1 If the Company would like to issue employee stock options where the exercise price for such options is lower than the weighted average trade price for the Company's shares during the period preceding the issuance date, its net value per share as reported in the financial reports for the most recent fiscal period, audited or reviewed by a CPA, or, in the event the shares of the Company are traded on Taiwan Stock Exchange or GreTai Securities Market, the closing price of the shares of the Company as of the issuance date, such issuance shall be approved by a resolution passed by a two-thirds (2/3) or more vote of the shareholders at a shareholders' meeting attended by the shareholders who represent more than one-half (1/2) of the total outstanding shares of the Company before such employee stock options can be issued.
- Article 7 The Company's share certificates shall bear shareholder's names, serially numbered, signed, and sealed by three (3) or more directors and certified by the certification authority approved by the government before they can be issued. After the public offering of the shares of the Company, the Company may issue shares without printing share certificates for the shares issued, but the Company shall engage a centralized securities depository institution to handle the recording or depository matters.
- Article 8 No transfer of shares shall be permitted within thirty (30) days prior to the date of a regular shareholders' meeting, or within fifteen (15) days prior to the date of a special shareholders' meeting, or within five (5) days prior to the record date fixed for distributing dividends, bonuses, or other benefits. After the public offering of the shares of the Company, no transfer of shares shall be permitted within sixty (60) days prior to the date of a regular shareholders' meeting, or within thirty (30) days prior to the date of a special shareholders' meeting, or within five (5) days prior to the record date fixed for distributing dividends, bonuses, or other benefits.
- Article 9 After the public offering of the shares of the Company, any matter in relation to shareholder services shall be conducted in accordance with "Regulations Governing the Administration of Shareholder Services of Public Companies."
- Article 9-1 If the Company would like to revoke the public offering of the shares of the Company, such proposal shall be submitted to the shareholders' meeting for approval. No change can be made to this Article during the period that the shares of the Company are traded on the Emerging Stock Market, Taiwan Stock Exchange or GreTai Securities Market.

Chapter III Shareholders' Meetings

- Article 10 Shareholders' meetings include regular shareholders' meeting and special shareholders' meeting. The Company shall in each year hold a shareholders' meeting as its regular shareholders' meeting no later than six (6) months after the close of each financial year. Save as herein otherwise provided, a special shareholders' meeting may be called by the Board as they consider necessary. The shareholders' meeting notice may be in writing or by way of electronic transmission.
- Article 11 When a shareholder is unable to attend the shareholders' meeting, he or it may appoint another person his/her/its proxy to attend the meeting. The proxy form, to be printed by the Company, shall state the scope of authorization covered by the proxy. Except for complying with Article 177 of the Company Law and Article 25-1 of Securities and Exchange Act of the ROC, all matters concerning proxies shall also be in compliance with "ROC Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."
- Article 12 Unless there is any restriction on the voting right of the shares or occurrence of any matter as specified in Article 179 of the Company Law, every shareholder entitled to vote shall have one vote for each share of which he/her/its is the holder.
- Article 13 Unless otherwise provided for in the Company Law and these Articles, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who shall hold more than one-half (1/2) of the total number of shares issued and outstanding.
- Article 14 The shareholders' meeting convened by the Board shall be presided over by the Chairman of the Board. If the Chairman is on leave or if, for any reason, he is unable to perform his duties, the chairman may designate one of the other directors to act on his behalf. Without such a designation, the chairman of the meeting shall be elected by and from among the other directors. In case the shareholders' meeting is convened by a person with the power to convene a shareholders' meeting other than the Board, such meeting shall be chaired by such person, and if there are more than two (2) persons with such power, the chair shall be elected among such persons.
- Article 15 The shareholders' meeting shall be conducted in accordance with "Rules and Procedures of Shareholders' Meetings" of the Company.

Chapter IV Directors and Audit Committee

- Article 16 The Company shall have a board consisting of three (3) to seven (7) directors, to be elected at the shareholders' meeting. The tenure of office of the directors shall be no more than three (3) years, and they shall be eligible for re-election. The Company shall appoint at least three (3) independent directors which may be within the number of directors specified in this Article 16 and shall constitute one-fifth (1/5) or more of the total number of directors. The Company shall adopt a candidate nomination mechanism for the election of the directors (including independent directors) and the shareholders shall elect directors from the list of director candidates so nominated.

Article 16-1 The Company proposes to establish an audit committee in accordance with the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors. Matters relating to number and term of office of audit committee members, powers of the audit committee, rules of procedure for meetings of the audit committee shall be governed by an audit committee charter.

Article 17 During the term of directors, the Company may purchase and maintain insurance for the benefit of each director or each supervisor against any liability incurred by him/her in his/her capacity as a director or supervisor.

Article 18 The Board is constituted by the directors. The Chairman of the Board shall be elected from among the directors by a majority vote at a meeting attended by two-thirds (2/3) or more of the directors. If the Chairman of the Board takes leaves or is unable to perform his/her duties with cause, his proxy shall be determined pursuant to Article 208 of the Company Law.

Article 19 The notice for the meeting of the Board shall state the reasons and agenda of the meeting, and shall be sent to each member of the Board and seven (7) days prior to the meeting, provided that such period for advance notice may be shortened in case of emergency. Such notice may be in writing, email or facsimile.

Article 20 Except as otherwise provided in the Company Law, meetings of the Board shall be called by its Chairman. Except as otherwise provided in the Company Law or these Articles, resolutions at the meetings of the Board shall be adopted by a majority vote at a meeting attended by more than one-half (1/2) of the directors. A director may appoint another director his or her proxy to attend a directors' meeting. The proxy shall accept the appointment of one director only.

Article 21 The Board of Directors of the Company shall as necessary in view of the needs for business operation establish other functional committees. The establishment and powers of the relevant committees shall be conducted in conformity with the regulations prescribed by the Competent Authority.

Article 22 The remuneration of directors of the Company is authorized to be determined by the Board of Directors in consideration of the extent of their participation in the Company's operation and value of contribution as well as the standards of domestic and foreign industries, and remuneration of independent directors may be different from that of general directors reasonably decided at its discretion.

Chapter V Manager

Article 23 The Company may have one General Manager and several vice general managers. The General Manager shall be appointed, dismissed and compensated in accordance with Article 29 of the Company Law.

Chapter VI Accounts

Article 24 The Company's fiscal year commences from January 1 and ends on December 31. At the close of each fiscal year, the Board of Directors shall prepare the following statements and records and shall submit the same to a general meeting of shareholders for ratification:

- (1) Business Report ;
- (2) Financial Statements; and
- (3) Surplus earning distribution or loss off-setting proposals.

Article 25 The Company shall, after its accumulated losses have been covered by the before-tax profit of the current year before deducting the amount distributed to employees' compensation and remuneration to directors and supervisors, withdraw 1% to 10% of the amount of balance thereof, if any, as employees' compensation and not more than 5% as remuneration to directors and supervisors.

The Company shall, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by at least two-thirds of the total number of directors, determine the ration for profit distribution as employees' compensation and remuneration to directors and supervisors and the form of profit distribution as employees' compensation either in shares or in cash; and a report of such distribution shall be submitted to the shareholders' meeting.

Qualification requirements of employees entitled to receive shares or cash as their compensation include the employees of subsidiaries of the Company meeting certain specific requirements.

Article 25-1 The Company shall, after its losses have been covered and all taxes and dues have been paid, and at the time of allocating the net profit on the general final report, first set aside ten percent of such profits as a legal reserve, and set aside or reverse another sum as special reserve in accordance with laws and regulations or the rules prescribed by the competent authority. The remaining balance, if any, plus the accumulated retained earnings of prior years as accumulated distributable earnings, except for retaining an appropriate amount being delivered to the shareholders' meeting for resolution after a proposal for distribution of profits depending on operational needs adopted by the Board of Directors, shall be distributed as dividends to shareholders subject to the resolution of the shareholder' meeting.

The percentage of the amount of surplus earnings distributed to dividend to shareholders accounted for the earnings after tax in the current year shall not be less than 10% as a principle. Among which, the amount of cash dividends shall be not less than 10% of the total amount of cash dividends and stock dividends, provided, however, that stock dividends will be distributed instead when less than NT\$0.1 per share of cash dividends, and the ration of distribution thereof may be adjusted depending on the Company's future earnings and financial status. Where there are future substantial capital expenditures and R&D projects, dividends to shareholders may be distributed fully as stock dividends upon approval of the shareholders' meeting. The Company shall not pay dividends or bonuses, if there are no surplus earnings.

Chapter VII Supplementary Provisions

Article 26 Matters not covered by the Articles of Incorporation, shall be dealt with according to the provisions of the Company Law.

Article 27 The Articles of Incorporation were agreed upon and signed on the November 7, 1997.

The First Amendment was made on the March 30, 1998.

The Second Amendment was made on the May 16, 1998.

The Third Amendment was made on the June 25, 1998.

The Fourth Amendment was made on the March 10, 1999.

The Fifth Amendment was made on the June 10, 2000.

The Sixth Amendment was made on the November 26, 2001.

The Seventh Amendment was made on the February 28, 2002.

The Eighth Amendment was made on the June 16, 2002.

The Ninth Amendment was made on the June 7, 2003.

The Tenth Amendment was made on the October 23, 2003.

The Eleventh Amendment was made on the May 10, 2006.

The Twelfth Amendment was made on the September 1, 2006.

The Thirteenth Amendment was made on the February 26, 2010.

The Fourteenth Amendment was made on the March 2, 2011.

The Fifteenth Amendment was made on the June 20, 2012.

The Sixteenth Amendment was made on the January 11, 2013.

The Seventeenth Amendment was made on the June 2, 2015.

The Eighteenth Amendment was made on the June 8, 2016.

The Nineteenth Amendment was made on the June 12, 2017.

TWI PHARMACEUTICALS, INC.

Chen Chih-Ming, Chairman