

Pacific Hospital Supply Co., Ltd. Articles of Incorporation

Chapter One General Provisions

- Article I This Company is duly incorporated under the provisions set forth in the Company Law in the full name of Pacific Hospital Supply Co., Ltd. (hereinafter referred to as the "Company").
- Article II The Company shall engage in the following business lines :
- 1 CF01011 Medical Materials and Equipment Manufacturing
 - 2 F108031 Wholesale of Drugs, Medical Goods
 - 3 F208031 Retail sale of Medical Equipment
 - 4 E601010 Electric Appliance Construction
 - 5 E601020 Electric Appliance Installation
 - 6 EZ05010 Apparatus Installation Construction
 - 7 F401010 International Trade
 - 8 I103060 Manages Consultant Business
 - 9 CE01010 Precision Instruments Manufacturing
 - 10 CE01990 Other Photographic and Optical Instruments Manufacturing
 - 11 F113030 Wholesale of Precision Instruments
 - 12 F203040 Retail Sale of Precision Instruments
 - 13 E801010 Building Maintenance and Upholstery
 - 14 E603050 Cybernation Equipment Construction
 - 15 E603090 Illumination Equipment Construction
 - 16 E604010 Machinery Installation Construction
 - 17 CE01021 Metrological Instruments Manufacturing
 - 18 F113060 Wholesale of Metrological Instruments
 - 19 F213050 Retail Sale of Metrological Instruments
 - 20 CA02050 Metal Valves Manufacturing
 - 21 CQ01010 Die Manufacturing
 - 22 E599010 Pipe Lines Construction
 - 23 E603100 Electric Welding Construction
 - 24 E605010 Computing Equipment Installation Construction
 - 25 F118010 Wholesale of Computer Software
 - 26 F119010 Wholesale of Electronic Materials
 - 27 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article III The Company may provide external guarantee services in line with business needs.
The Company may become a shareholder of limited liability in other companies. The total amount of its investments in such other companies is free of the restriction of 40% of the Company's paid-in capital.
- Article IV The Company is headquartered in Miaoli County Taiwan, and may have branches or institutions set up elsewhere domestically or abroad as necessary as resolved by the Board of Directors, subject to the approval of the competent authority.
- Article V Public announcements of the Company shall be duly made in accordance with the Company Law and other relevant regulations.

Chapter Two Shares

- Article VI The Company has the total capital amounting to one billion New Taiwan Dollars, divided into one hundred million shares at ten New Taiwan Dollars par value which may be issued in installments.
- Article VI-I The Company, when transferring shares at a lower than the average actual repurchase price to the employees, or when issuing the employee share-pledging certificates at a share-pledging price lower than the company shares' closing price on the issuing date, shall have a quorum of over one-half of the shareholders representing the shares issues to attend the shareholder's meeting, and the proposal be voted in favor for implementation by a quotation of over two-thirds of the attending shareholders holding the voting right.
- Article VII The share certificates hereof shall be duly signed or affixed with seals by a minimum of three directors, duly affixed by the Company with registered specimen seal and duly authenticated by before issuance. As requested by a centralized securities depository enterprise the Company may issue aforementioned share certificates in consolidation into large denomination.
The Company shall issue non-physical shares and does not print share certificates but shall have the shares duly registered with the centralized securities depository institution(s).
- Article VIII The Company's shareholders shall have provided their specimen seal certificate cards submitted to and archived in the Company's agent for stock affairs. A shareholder as a juristic (corporate) person shall have its specimen seal certificate card bearing the name of the juristic (corporate) person in full archived in the Company's agent for stock affairs. A juristic (corporate) person shareholder may, as well, request that its statutory representative's registered specimen seal submitted to and archived in the Company's agent for stock affairs. The registered specimen seal or signature specimens shown in the specimen seal certificate cards submitted to and archived in the Company's agent for stock affairs shall function as the grounds when shareholders receive dividend, bonus or exercise shareholder powers with the Company in writing.
- Article IX No transfer of shares shall be executed within sixty days prior to a regular meeting of shareholders, or within thirty days prior to a special (extraordinary) meeting of shareholders, or within five days prior to the record (base) date scheduled to allocate dividend, bonus or other benefits. The Company's equity affairs shall be duly handled in accordance with the Regulations Governing Handling of Stock Affairs by Public Companies promulgated by the competent authority in charge of securities affairs.

Chapter Three Regular Meeting of Shareholders

- Article X The shareholders' meeting hereof is held in the form of regular meeting of shareholders and special (extraordinary) meeting of shareholders. The former is called once per annum within six months from closing of each fiscal year with notices served to all shareholders twenty days in advance and the latter may be duly called whenever necessary.
- Article XI A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney with the power of attorney form printed and provided by the Company, expressly bearing the scope of the authorized powers, duly sign and affix seal thereon to entrust a proxy to be present on behalf. The power of attorney shall be submitted to the Company five days prior to the date scheduled for the shareholders' meeting. In case of double powers of attorney received simultaneously, the power of attorney shall be accepted on the "first come first served" basis unless the first submitted one is declared withdrawn.
- Article XII Where the Company convenes a shareholders' meeting, shareholders may exercise voting powers in writing or electronically, and shareholders exercising their voting rights in writing or

electronically shall be deemed as having attended in person, with relevant measures to be implemented per legal and regulatory stipulations.

Article XIII Each share hereof is entitled to one voting power, provided that the Company has no voting power for shares held under Article 179 of the Company Law.

A juristic (corporate) person shareholder has statutory representative(s) not confined to one in number. Its voting powers shall be, nevertheless, calculated based on the number of shares so held in a consolidated basis. In case of two or more representatives, the representatives shall exercise the voting powers jointly.

Article XIV Unless otherwise provided for in the Company Law, decisions in the shareholders' meeting shall be resolved by a majority vote in the meeting which is attended by shareholders who represent a majority of the total issued shares.

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting in accordance with Article 183 of the Company Law.

Chapter Four Directors and supervisors

Article XV The Company has five to seven directors and three supervisors electing from the eligible shareholders, with three-year tenure of office and reelection. The directors and supervisors may be duly elected under the candidate nomination system.

The aforementioned quota of directors includes at least two independent directors. The supervisors may attend the Board of Directors meeting to voice their opinions, but shall have no voting power in the meeting.

In the event that the reelection of directors and supervisors is not held upon expiry of their tenure of office, the directors and supervisor shall serve continually and shall have their tenure of office extended until the newly elected directors and supervisor take office.

The total number of registered shares held by all directors and supervisors shall not be below the minimum threshold specified in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.

The pay or remuneration to the directors and supervisors shall be duly offered at the rate duly resolved in the light of participation and contribution to the Company's operation by the directors and supervisors with reference to the common standard of the same industry.

Article XVI The Company's independent directors are elected by means of candidates nomination system. Shareholders elected independent directors out of the names of candidates. The professional qualification requirements, shareholding numbers and determination of independence of independent directors, the methods to nominate and elect independent directors, exercise of powers and other matters concerning independent directors shall be duly determined in accordance with the Securities and Exchange Law and other laws and ordinances concerned.

Article XVII The Board of Directors shall be duly organized by the directors. By attendance of two-thirds majority of directors and a majority vote of the attending directors, one chairman shall be duly elected. The chairman shall represent the Company externally.

In response to the need of business operation, the Board of Directors may establish Payroll & Remuneration Committee or committee(s) of other functions.

Article XVIII At least one supervisor position of the Company must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director.

Article XIX A director who is unavailable to attend a Board of Directors meeting in person may authorize

another director to act as a proxy to attend on their behalf by issuing the power of attorney for each event of the meeting. The power of attorney so issued shall bear the scope of the authorized powers. A director so authorized may represent only one director. A director who attends a Board of Directors meeting through video system is deemed to have attended in person if such meeting is held through video system.

The convention of a Board of Directors meeting must be notified to all directors and supervisors at least 7 days in advance, with detailed agenda. However, meetings can be convened at anytime in case of an emergency. Notifications to directors and supervisors can be delivered in writing, e-mail, or fax.

During the chairman's absence or unavailability for performance of duties, the substitution shall be duly handled in accordance with Article 208 of the Company Law.

Chapter Five Managerial officers

Article XX The Company has managerial officers who shall be duly appointed, discharged and paid in accordance with Article 29 of the Company Law.

Chapter Six Accounting

Article XXI The Company's fiscal year is beginning January 1 until December 31 of every calendar year. Upon closing of each fiscal year, the Board of Directors shall work out the following documents to be audited by supervisors before being acknowledged by the shareholders' meeting:

- I. Business report;
- II. Financial statements
- III. Proposals of profit allocation or loss coverage.

Article XXII Earnings (meaning the pretax earnings upon deducting employee and director/supervisor remunerations) derived from company fiscal audit, if any, shall have no less than a three percent allocated as employee remuneration; and no less than a two percent allocated as director/auditor remuneration. However, the Company, when still in a cumulative deficit, shall first set aside the redemption reserve funds.

The foresaid employee remuneration may be distributed by stock or cash, and the subjects of stock or cash distribution may include employees of its subsidiary company with certain criteria.

The distribution of employee remuneration and director/supervisor remuneration shall be heard by over two-thirds of the Board of Directors, be voted in favor for implementation by over one-half of the directors present and represented, and also be reported at the shareholders' meeting.

Article XXIII Earnings derived from company yearly audit, if any, shall first set aside for remitting taxes and government dues, and offsetting accumulated deficit, before allocating a ten percent as the legal earning reserve. However, when the legal earnings reserve reaches the company's share capital level, it is not applicable. Any residual earnings is subject to other government authorities-specified allocation or special earnings reserve, and the remaining should be combined with the previous period's cumulative undistributed earnings for the Board of Directors to propose an earnings distribution resolution, which to be presented at the shareholders' meeting for motioning to distribute the shareholders' stock dividends.

The company, when reporting no deficit, may distribute, the entire or a portion of the legal earnings reserve or capital reserve per legal stipulations, to distribute new shares or cash dividend in proportion to the shareholders.

The Company, in care of its overall operating condition, capital requirement, industry competitiveness, and shareholders' equity, may distribute the shareholders' dividends in cash or shares, of which the cash dividends may not be less than twenty-percent of the total dividend amount.

Article XXIV The organizational rules and operational rules shall be separately enacted.

Article XXV Any matters insufficiently provided for in these Articles of Incorporation shall be subject to the Company Law and other laws and ordinances concerned.

Article XXVI These Articles were duly enacted on June 10, 1977 and were duly amended on February 25, 1983 as the 1st amendment; March 12, 1983 as the 2nd amendment; April 7, 1984 as the 3rd amendment; November 23, 1984 as the 4th amendment, November 21, 1985 as the 5th amendment; December 21, 1985 as the 6th amendment; October 21, 1986 as the 7th amendment; May 16, 1987 as the 8th amendment; July 25, 1987 as the 9th amendment; June 4, 1989 as the 10th amendment; July 23, 1992 as the 11th amendment; August 20, 1992 as the 12th amendment; December 16, 1992 as the 13th amendment; July 17, 1994 as the 14th amendment; October 27, 1997 as the 15th amendment; October 6, 1998 as the 16th amendment; January 30, 1999 as the 17th amendment; November 22, 1999 as the 18th amendment; April 25, 2000 as the 19th amendment; November 10, 2000 as the 20th amendment; June 14, 2002 as the 21st amendment; June 23, 2003 as the 22nd amendment; January 12, 2004 as the 23rd amendment; June 16, 2004 as the 24th amendment; June 2, 2005 as the 25th amendment; June 8, 2006 as the 26th amendment; March 7, 2007 as the 27th amendment; June 13, 2007 as the 28th amendment; June 11, 2008 as the 29th amendment; June 10, 2009 as the 30th amendment; June 10, 2009 as the 31st amendment; May 18, 2011 as the 32nd amendment; May 30, 2012 as the 33rd amendment; June 10, 2015 as the 34th amendment and June 15, 2016 as the 35th amendment.