

LOTUS PHARMACEUTICAL CO., LTD

RULES FOR ELECTION OF DIRETORS

[English translation for reference only]

Approved on 2015/04/23

1. Unless otherwise provided in the relevant laws or regulations or the Articles of Incorporation of the Company, the Directors of the Company shall be elected in accordance with these Rules.
2. The Directors of the Company shall be elected from the persons with capacity and the election shall be held at the shareholders' meeting.

In the election of Directors of the Company, the single recorded cumulative voting system is implemented. Each share shall have voting rights equivalent to the number of seats to be elected, and such voting rights may be combined to vote for one person, or divided to vote for several persons. If the amendment to the election system is necessary thereafter, it shall be conducted in accordance with Article 172 of the Company Law of the Republic of China and specified in a comparison table included in the meeting agenda of the shareholders' meeting.

The following relationships shall not exist among more than half or the Company's Directors:

- I. Spouse;
 - II. A familial relationship within the second degree of kinship
3. At the beginning of the election, the chairman shall appoint persons each to check and record the ballots. The persons to check the ballots shall be appointed among the shareholders.
 4. In election of Directors of the Company, the voting rights for Independent Directors and Non-independent Directors shall be separately calculated, and based on the voting rights for the number of seats set forth in the Articles of Incorporation of the Company, candidates who acquire more votes, based on the

number of votes received, shall win the seats of Directors. If two or more persons acquire the same number of votes, such persons acquiring the same votes shall draw lots to decide who shall win the seats, and the chairman shall draw lots on behalf on the candidate who is not present.

5. The qualification of the Company's Independent Directors shall be in compliance with Article 2, 3 and 4 of "Rules Governing Establishment of Independent Directors for Public Companies".

The election of the Company's Independent Directors shall be in compliance with Article 5, 6, 7, 8, and 9 of "Rules Governing Establishment of Independent Directors for Public Companies" and Article 24 of "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies".

Among the seats of the Company's Directors, no less than two (2) seats and no less than one-fifth (1/5) of total seats of Directors shall be Independent Directors.

6. The Company shall prepare ballots for Directors numbered according to the number of Attendance Card with a note of number of voting rights.
7. If the candidate is a shareholder of the Company, voters shall fill in the candidate's name and the shareholder's number of the candidate in the "candidate" column. If the candidate is a corporate shareholder, the full name of the corporate shareholder or the name of corporate shareholder and the name of its representative shall be filled in the "candidate" column.

If the candidate is not a shareholder of the Company, voters shall fill in the candidate's name and the candidate's ID number in the "candidate" column.

8. Ballots shall be deemed invalid in either one of the following conditions:
 - I. Ballots not prepared in accordance with these Rules or not placed in the ballot box;
 - II. Blank ballots not completed by the voters and placed in the ballot box;
 - III. Illegible writing or being erased or changed;

- IV. Ballots with other written characters or symbols in addition to candidate's name and shareholder's number (ID number);
 - V. The name of the candidates filled in the ballots being the same as another candidates name and respective shareholder's number (ID number) not indicated to distinguish them;
 - VI. The number of candidates filled in the ballot exceeding the number of the seats to be elected or the total votes cast by the voter exceeding the total voting rights of such voter;
 - VII. If the candidate is a shareholder of the Company, the name or the shareholder's number of the candidate filled in the ballot inconsistent with the shareholder's register. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
 - VIII. The information specified in Article 6 is incomplete;
 - IX. The name and ID number of the candidate is inconsistent with the record of authorities.
- 9. The ballots shall be calculated during the meeting right after the vote casting and the results of the election shall be announced by the chairman at the meeting.
 - 10. Any other items not specified herein shall be conducted in accordance with the Company Law of the Republic of China and relevant regulations.
 - 11. These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.