

Tang Eng Iron Works

articles of the Company’s “Procedures for Election of Directors”

Article 1: Unless as otherwise provided by the laws and regulations and the Article of Association, election of directors at TANG ENG IRON WORKS CO., LTD. [hereinafter “the Company”] shall be handled in accordance with these Procedures.

Article 1-1: A candidate nomination system shall be adopted in the election of directors at the Company. Non-independent directors and independent directors shall be nominated separately for election by the shareholders from among the those listed in the slate of candidates. Circumstances under Article 30 of the Company Act shall not apply to candidates for directors of the Company.

The shareholders’ nomination shall be accepted by the Company in accordance with Article 192-1 of the Company Act. Provisions, if any, under the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies shall also be observed. When the Company accepts shareholder’ nominations of directors, the items concerning composition diversification and policy on diversity including gender, nationality, professional background, etc. and the abilities that must be present in the board as a whole shall be disclosed along with the public announcement.

The policy on diversity of the Company’s directors includes, without being limited to, the following two general standards:

1. Basic requirements and values:

(1) impartial by gender, age, nationality, and culture.

(2) Only the labor director may concurrently serve as an employee of the Company ◦

(3) independence.

2. Professional knowledge and skills: at least two of the Company's directors should have accounting and financial expertise, one of whom shall be an independent director, and the other directors shall have at least one of the professional skills and experiences in law, industry, operation management, procurement and marketing, land administration or land development, or energy and environment.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.

2. Accounting and financial analysis ability.

3. Business management ability.

4. Crisis management ability.

5. Knowledge of the industry.

6. An international market perspective.

7. Leadership ability.

8. Decision-making ability.

Directors of the Company shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 2: Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

In case a director of the Company whose shares are issued to the public has created a pledge on the Company's shares more than half of the Company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised, and his/her its number of election rights shall be calculated based on his/her/its voting rights.

The number of directors shall be elected by the number of directors' seats under the Articles of Association Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 2-1: Qualifications of the Company's independent directors shall be in compliance with provisions under Article 14-2 of the Securities and Exchange Act and Articles 2 through 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

One of the independent directors shall be equipped with expertise in accounting or finance. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

When a director or an independent director is dismissed for any reason, resulting in a number of directors lower than that required under the Company's Articles of Association, a by-election for independent director shall be held at the next following shareholders meeting. When the vacancy reaches one-third of the seats prescribed under the Company's Articles of Association, or all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.

Article 3: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 4: The voter shall enter the name of the "candidate" at the "candidate" field of the ballot based on the list of candidates for independent directors or non-independent directors in the shareholders' meeting handbook according to the following rules before casting the ballot into the ballot box:

1. Where the candidate is a natural person shareholder or a non-shareholder natural person, candidate name shall be entered.
2. Where the candidate is a juristic person or government shareholder: name of juristic person or government shareholder shall be entered.
3. Where the candidate is a representative appointed by a juristic person or government shareholder: name of the juristic person or government shareholder and the name of its representative shall be entered in. When there are more than one representatives, the names of the representatives shall be added separately.

Article 5: Before the election begins, the chair shall appoint 3 persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

A voting monitor shall perform the tasks as follows:

1. Inspecting ballot boxes in public before voting begins.
2. After voting, seal the ballot box.
3. When counting the votes, unseal the ballot box, take the ballots out, and hand the ballots over to the counting personnel for counting.
4. Inspection or identification of invalid ballots.

5. Checking the number of votes counted by the counting personnel and the number of voting rights.
6. Assisting the chair in maintaining the order of voting and ballot counting.

Article 6: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. Other words or marks are entered in addition to the name and number of voting rights allotted of a candidate under Article 4 herein.
4. The ballot is torn, damaged, or smudged or the writing on the ballot is illegible or altered, making the candidate entered in indecipherable.
5. The candidate whose name is entered in the ballot and that on the list of candidates in the shareholders' meeting handbook do not match.
6. The voter has not completed registration by handing in the sign-in card.
7. Two or more candidates have been entered in the ballot.
8. The candidate (incl. independent directors) is not on the list of candidates for directors and independent directors in the shareholders' meeting handbook.

Article 7: The voting rights shall be calculated on site immediately after the end of the poll, and the monitoring personnel shall determine whether a ballot is invalid when in doubt. All monitoring personnel may vote to determine if a controversial ballot is invalid.

Concerning the result of the calculation, after the monitoring personnel have verified the records of valid and invalid votes to be true and correct, the number of valid and invalid votes and the representing rights for voting shall be entered on a record sheet, which is then handed to the chair to announce on the site the list of persons elected as directors and independent directors and the numbers of votes with which they were elected.

Article 7-1: The ballots for the election, including the valid and invalid ballots, shall be sealed with the signatures of the monitoring personnel and kept in proper custody of the Company for at least one year.

If a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 8: deleted

Article 9: Any matters unattended in these Procedures shall be handled in accordance with the Company Act, the Company's Articles of Association and other relevant laws, regulations and by-laws.

Article 10: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.