

**TECO Electric & Machinery Co., Ltd.**  
**NOTICE of**  
**2018 GENERAL SHAREHOLDERS' MEETING**  
**(Summary Translation)**

I. The 2018 General Shareholders' Meeting will be held on Friday, June 15, 2018 at 9:00a.m. at the TECO Chung-Li Plant located at No. 11, An-Tung Road, Chung-Li, Taoyuan County, Taiwan.

II. Agenda.

1. Reports:

- (1) Business Report for 2017
- (2) Inspection Report of Audit Committee for 2017
- (3) Remuneration distribution to employees and directors for 2017
- (4) Issuance of 1<sup>st</sup> Unsecured Corporate Bonds
- (5) Amendment to Corporate Governance Best Practice Principles

2. Ratification:

- (1) Business Report and Financial Statements for 2017
- (2) Distribution of 2017 Profits

3. Election

- (1) Election of the 25th term Board of Directors

4. Discussion:

- (1) Plan to remove the restrictions on non-competition obligation of the 25th term of Board of Directors

5. Extempore motion(s)

III. Distribution of profits and determination of the dividend amount for 2017 as proposed by the Board of Directors is as follows:

Cash dividends: NT\$0.86 will be distributed in cash per share. In the event of any change to the total number of outstanding shares as a result of the issuance of convertible bond, Company's buyback of its own shares, transfer, conversion or deregistration of treasury shares, exercise of employees' stock option and other factors, it is proposed that the Shareholders' Meeting grants the Chairman full authority to handle all relevant matters subject to the fixed payout rate mentioned above.

IV. Under the premise of the resolution in accordance with Article 209 of the

Company Law, hereby proposes for the removal of restrictions on non-competition clauses for newly elected directors and their representatives. Please see Meeting Agenda for concurrent post of new directors.

V. After being discussed case by case, voting for the Ratification and Discussion will take place at the same time. Vote counting will be conducted separately.

VI. In accordance with Article 165 of the Company Act, transfer of shares of the Company shall be suspended from April 17, 2018 through June 15 2018.

VII. The Company will compile and post a general list of information on calls for proxies, if any, by May 15, 2018, on the Securities & Futures Institute website (<http://free.sfib.org.tw>). Investors may conduct search for the information by logging on the above site. The Stock Transfer Agency Department of Taishin International Bank Co., Ltd. will certify the tally of proxies.

VIII. Voting right for the shareholders' meeting can be exercised via electronic form during the period from May 16, 2018 to June 12, 2018. Please access "Shareholder e-voting" at the website of Taiwan Depository and Clearing Corporation. (<https://www.stockvote.com.tw>)

Board of Directors  
TECO Electric & Machinery Co., Ltd.