

TECO Electric & Machinery Co., Ltd.
NOTICE of
2014 GENERAL SHAREHOLDERS' MEETING
(Summary Translation)

I. The 2014 General Shareholders' Meeting will be held on Monday, June 23rd, 2014 at 9:00a.m. at the TECO Chung-Li Plant located at 11 An-Tung Road, Chung-Li, Taoyuan County, Taiwan.

II. Agenda.

1. Reports:

- (1) Business Report for 2013
- (2) Inspection Report of Audit Committee for 2013
- (3) Endorsements and guarantees to other parties and lending of capital
- (4) The Status of Corporate Bond Issued

2. Ratification:

- (1) Business Report and Financial Statements for 2013
- (2) Distribution of 2013 profits
- (3) Revision of utilization of proceeds of 1st unsecured corporate bond issued in 2013

3. Discussion:

- (1) Amendment to "Articles of Incorporation"
- (2) Amendment to "Rules Governing Election of Directors"
- (3) Amendment to "Procedure for Acquisition or Disposal of Assets"

4. Extempore motion(s).

III. Distribution of profits and determination of the dividend amount for 2013 as proposed by the Board of Directors is as follows:

1. Cash dividends: NT\$1.1 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 Company's buyback of its own shares, transfer 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.
2. Employee profit sharing in cash: A sum of NT\$304,549,631 will be distributed for such purpose.
3. Remuneration to Directors and Supervisors in cash: A sum of NT\$135,355,392 will be distributed for such purpose.

Subject to the resolution of the Shareholders' Meeting on the above proposed profit distribution plan, the record date and the dividend payment date will be determined by the Board of Directors as authorized.

IV. Except cases passed by written or electronic voting or by announcement of the chairperson with no objection of attending shareholders, after discussion of each proposal, voting for all proposals of Ratification and Discussions will take place at the same time. Vote counting will be conducted separately.

V. In accordance with Article 165 of the Company Act, transfer of shares of the Company shall be suspended from April 25th, 2014 through June 23rd 2014.

VI. The Company will compile and post a general list of information on calls for proxies, if any, by May 23rd, 2014, 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.

VII. Voting right for the shareholders' meeting can be exercised via electronic form during the period from May 24th, 2014 to June 20th, 2014. 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.