

TECO Electric & Machinery Co., Ltd.
NOTICE of
2016 GENERAL SHAREHOLDERS' MEETING
(Summary Translation)

I. The 2016 General Shareholders' Meeting will be held on Thursday, June 16, 2016 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. Discussion:

(1) Amendment to "Articles of Incorporation"

2. Reports:

(1) Business Report for 2015

(2) Inspection Report of Audit Committee for 2015

(3) Remuneration Distribution for Employees and Directors for 2015

3. Ratification:

(1) Business Report and Financial Statements for 2015

(2) Distribution of 2015 profits

4. Election:

(1) By-election of one seat of Independent Director

5. Discussion:

(2) Propose to remove the restrictions of the newly elected Independent Director's non-competition clauses

6. Extempore motion(s)

III. Distribution of profits and determination of the dividend amount for 2015 as proposed by the Board of Directors is as follows:

1. Cash dividends: NT\$0.8 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 independent directors. Please see Meeting Agenda for concurrent post of new independent directors.

V. Firstly, Discussion (1) will be discussed and voted. Secondly, Ratification will be discussed case by case and voted with the Election at the same time. Vote counting will be conducted separately. Finally, Discussion (2) will be discussed, and vote counting solely.

VI. In accordance with Article 165 of the Company Act, transfer of shares of the Company shall be suspended from April 18, 2016 through June 16 2016.

VII. The Company will compile and post a general list of information on calls for proxies, if any, by May 16, 2016, 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 17, 2016 to June 13, 2016. 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.