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Audit Team Procedures/Process

(Summary Translation) This English version is a translation of the Chinese version.
If there is any inconsistency or discrepancy between the Chinese and English versions,
the Chinese version shall prevail for all intents and purposes.

Chapter I General Provisions

Article 1: Purpose

To ensure business rationalization, the Audit Division will objectively review whether all business units adhere to business policies and guidance, perform business operations appropriately, and provide innovative solutions and recommendations that will solve operational issues.

Article 2: The group is named "TECO Electric Co., Ltd. Board of Directors Audit Division", or "Audit Division" for short.

Chapter II Composition of the Audit Division

Article 3: The Audit Division falls under the Board of Directors and is accountable to report to it only.

Article 4: The Audit Division is led by the Chief Auditor who is appointed by the Board of Directors.

Article 5: The Audit Division has one Manager who shall assist the internal auditing staff in execution and implementation of the Company's business policies. Based on the size of the company, business conditions, management needs and other relevant laws and regulations, he/she shall be responsible for the selection and staffing of the appropriate number of internal auditors.

Chapter III Organizational System

Article 6: Organizational System

Chapter IV Auditing Scope

Article 7: Scope of the Internal Audit Function

1. Examine internal control mechanisms to measure the effectiveness of existing policies and procedures, the extent to which they are followed and adhered to and their impact on various operating activities, and provide timely suggestions for improvement.
2. Review reports from internal business units and subsidiaries' own internal audits. Based on its own analysis and findings to present these to the Board of Directors and General Manager with suggested areas for improvement and additional controls to be instituted and as a basis to issue a

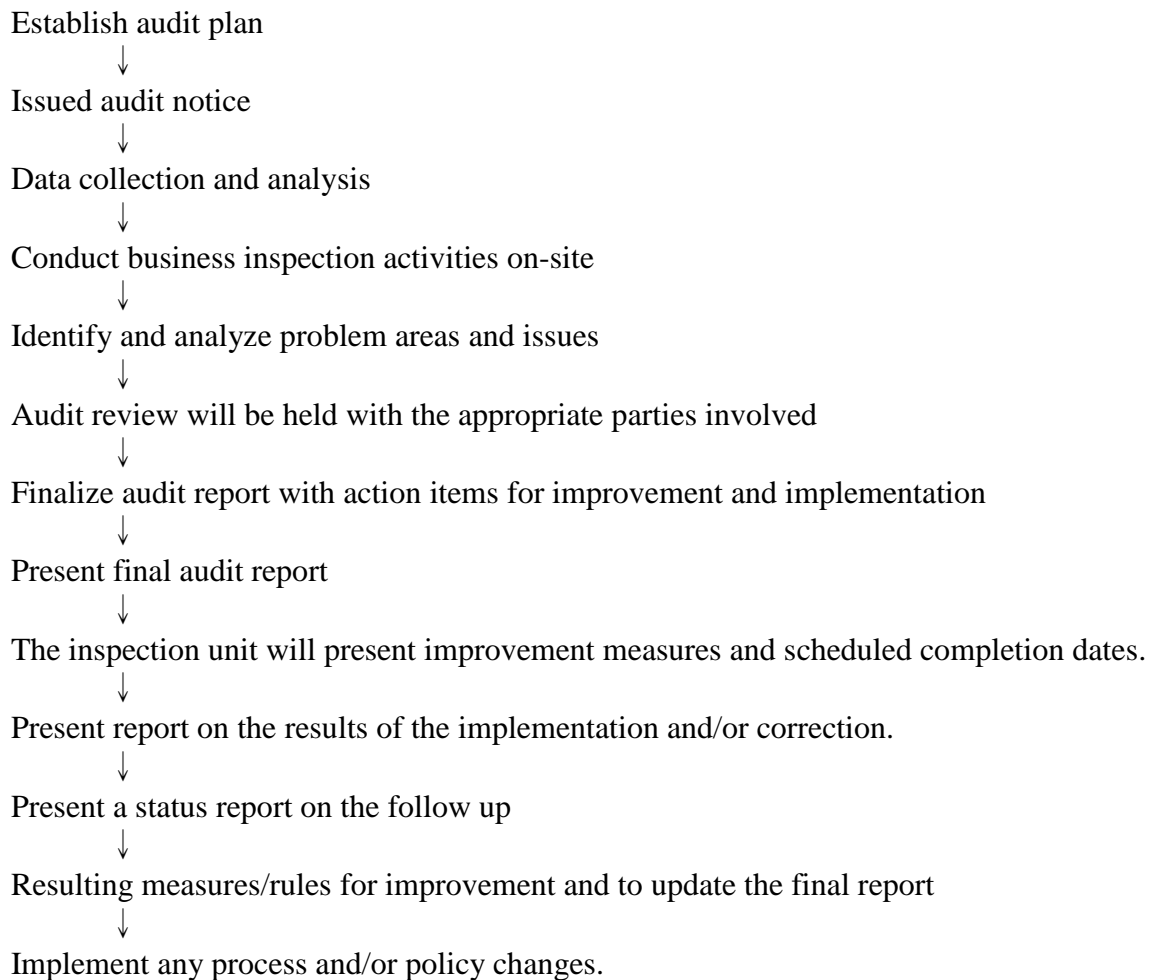
statement on the internal control system.

3. Review and audit of the Company's other business operations, operational effectiveness, and efficiency.

Article 8: Audits shall focus on various departments, factories and offices as the Audit Division's main target, and then be further implemented in accordance with the actual needs of the classes, shares, units or individuals.

Chapter V Audit Process Flow

Article 9: Audit Process Flow:



Article 10: Description of Audit Procedures

1. Based on the Company's operating conditions and risk assessment results, the Audit Division will formulate the annual audit plan and present it to the CEO, Chairman of the board, and the board of directors. Upon approval from the board of directors the plan may be implemented.
2. Based on content of the approved plan, the Audit Division will investigate the implementation. Business units are required to cooperate and provide the necessary information to assist in the audit

and inquiries.

3. The Audit Division will conduct on-site investigations to understand the operations and identify problem areas and anomalies. It will hold review meetings with the impacted units to discuss ways to improve, suggest countermeasures, and solutions and provide a report of abnormalities and improvements.
4. Report on the "Audit (Check) for Operational Anomalies and Improvements". Provide improvement suggestions and proposed completion dates to the impacted business units/parties.
5. The Audit Division will follow up on the implementation of the improvement plan and track the status on a regular basis, and based on the agreed upon completion dates after finalization of which the matter may closed.
6. Each business unit and/or impacted parties will be responsible for improvement to amend or establish its regulations, systems, business operations, and/or standards.

Article 11: During the audit period, all relevant information collected shall be archived for future reference together with the inspection report.

Chapter VI Supplemental Provisions

Article 12: These bylaws are approved by the Chairman of the board for implementation and as amended.

Article 13: These bylaws were first promulgated on February 1, 1984.

Subsequent amendment dates:

First amendment:	April 1, 1984.
Second amendment:	August 1, 1992.
Third amendment:	January 1, 1996
Fourth amendment:	July 12, 2006
Fifth amendment:	April 1, 2007