

TECO Electric & Machinery Co., Ltd.

Bylaws to report cases of illegal and unethical conduct

(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.

I. (Basis)

In order to implement the company's ethical conduct and ethical management policy to ensure the sustainable development of the Company, and to encourage reporting any conduct which is illegal and against the codes of ethical conduct and the ethical management best practice principles, specifically set forth in these Bylaws.

II. (Purpose)

Establish internal and external reporting channels and measures in order to implement the codes of ethical conduct and the ethical management best practice principles set by the Company and to ensure protection of the whistleblowers' and affected person's legitimate rights and interests.

III. (Acceptance channels)

If any violation of the "Ethical management best practice principles" or the "Code of conduct" of the Company or any law is discovered, the following channels may be used to report such to the dedicated unit for accepting reports within the Company.

1. Report email: integrity@teco.com.tw
2. Report line: Internal audit, 02-26551078
3. Written report: Send to: 5th Floor, 19-9 San Chong Road, Nan-Kang, Taipei, Internal audit unit

IV.(Processing procedures)

1. The whistleblower shall report using his/her name through the reporting channels mentioned in Article 3 of these Bylaws and provide sufficient information to facilitate the investigation (including the name of the relevant personnel, units, titles, the date and content of the event and description). Anonymous reporting will not be processed in principle, but if the content described is important and must be investigated and then it should be processed and recorded for internal review.
2. The dedicated unit responsible for accepting reports is the "Internal audit" unit. Reporting matters relating to a director or senior executive should be reported to the Independent Director.

3. Reported cases which are verified to be true will be processed pursuant to the laws or the Company's internal related disciplinary rules. Before issuing a punishment decision, the Company shall provide the employee being reported an opportunity to present his opinion or appeal. If the dedicated unit for accepting reports after investigation found there might be significant non-compliance events or significant risks of damage to the Company, a report shall be made promptly and the independent director notified in writing.
4. If the person(s) in the dedicated unit for accepting reports did not process cases and did not provide justification, or the supervisor of the person being reported was aware of any illegal or unethical conduct but did not take action, the Company's related disciplinary rules apply.
5. For whistleblowers or persons involved in the investigation and its content, the Company will keep their identity confidential and protect them from being unfairly treated or suffering retaliation. If they are unfairly treated, suffer retaliation or similar acts as a result of reporting or participating in the investigation, please report this to the dedicated unit for accepting reports.
6. The handling of the report, the investigation process, and the findings thereof should be retained in written or electronic files and kept with the responsibility of due care.
7. If the accusation reported is investigated and proved to be true and it represents an important contribution with significant economic benefits, it may be reported to the CEO to grant the whistleblower an appropriate reward.

V. (Other)

If there are any outstanding issues not dealt with in these Bylaws, it shall be handled in accordance with the relevant laws and regulations and other relevant regulations of the Company.

VI. (Implementation)

These Bylaws were adopted after being adopted by the Board of Directors; and the same for the amendments.

These Bylaws were promulgated on December 23, 2016.