

Collective Bargaining Agreement

(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: In order to protect the rights and interests of both parties, coordinate the relationship between the two parties, unleash their working efficiency and cooperate with each other, TECO Electric & Machinery Co.,Ltd. (hereinafter referred to as "Party A") and TECO Electric & Machinery Co.,Ltd. of Taipei county (hereinafter referred to as Party B) enter into this Collective Bargaining Agreement for the purpose of legal compliance with the labor statutes.
- Article 2: In addition to the provisions of this agreement, both Party A and Party B should observe the provisions of the current government decrees regarding employee work rules (hereafter referred to as "working rules") for the employees of TECO Electric & Machinery Co.,Ltd. as approved by the government authorities, and take it as the service guidelines for Party A management staff and Party B members.
- Article 3: When Party A's working rules are amended or revised, it should inform Party B.
- Article 4: This agreement is valid for three years, and three months. Before its expiration date, representatives from both parties shall negotiate renewal or other terms.
- Article 5: This agreement shall be amended with consent of the other party upon the proposal of one of the parties.

Chapter II Employment and Dismissal

- Article 6: Where an employee of Party A who already reported for duty, to applies for membership of Party B according to the law, then Party A shall assist Party B to withhold the monthly membership fee.
- Article 7: Where a member of Party B is, without good cause, absent from work for three consecutive days, or for a total six days in any month, or for a total twelve days in any year, the member shall be dismissed by Party A and notify Party B.
- Article 8: Party A shall reasonably change Party B's members' work content and place of work according to business needs and the law, after sufficient communication within the organization and consulting with and obtaining Party B's consent thereto.
- Article 9: Where a member of Party B violates the working rules, and the circumstances are serious and proven, then Party A shall dismiss the member and inform Party B in line with the qualifications for dismissal and punishment of the working rules..
- Article 10: Where a member of Party B resigns, they should notify Party A in accordance with the following periods in advance:
- (1) Where a worker has worked continuously for less than three months, the notice

shall be given seven days in advance.

(2) Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.

(3) Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.

(4) Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

If a member of Party B leaves without warning in accordance with the above notice periods, Party A may make a request for any undue wages. If a member of Party B fails to provide a resignation notice beforehand, Party A may claim damages for Party A's business loss. After a member of Party B has completed the resignation procedure, they may apply for a service record certificate from Party A, which records the positions held, nature of work and years of service.

Article 11: Where the business of Party A suffers from a market contraction and changes in business climate necessitates reductions of the workforce and termination of employees who are unsuitable to be reassigned to other positions, Party A shall inform Party B thirty days in advance by law.

Chapter III Merits and Demerits

Article 12: Party A's merits and demerits for a member of Party B shall be managed according to the rules and regulations of merits and demerits in the working rules.

Article 13: When a member of Party B has outstanding performance, Party A shall give administrative rewards and recognize the service, contribution, diligence, model conduct and proposals of improvement of awards at the annual plant celebration gathering.

Chapter IV Working Hours and Codes

Article 14: Party A may due to work needs, within the conditions permitted or better than the statutory requirement, require a member of Party B to work overtime and remain on duty. The member of Party B should fully cooperate based on spirit of collectivism, and according to the company provisions while on duty.

Article 15: When Party B agrees all Party A members of department level or above who should work overtime, but fail to attend, need to register but there will be no impact on salary, allowances and year-end bonuses. Registration is not included in the assessment.

Article 16: If Party A attended but could not conduct work due to natural disasters, force majeure events, power outages or waiting for materials, Party B agrees to handle the incident according to Party A's "Rules for Handling of Natural Disasters, Blackouts, and Accidents, etc."

Chapter V Leave and Leave Application

- Article 17: A member of Party B's leave and leave application, is to be dealt with according to the leave regulations of the working rules.
- Article 18: The calendar of next year may be announced by the end of November after the Union/Management meeting and depending upon the evaluation of working conditions by Party A.
- Article 19: If a Party B member holds positions in a labor union, participates in labor union activities, and shall have public holidays according to the provisions of the Union, the formalities are still to be dealt with under the working rules.

Chapter VI Remuneration

- Article 20: The salary and allowances which a Party B member earned, shall be paid by Party A on the 7th of each month.
- Article 21: If Party A considers changes in the price index and operating performance, and surveys the remuneration standards of the industry, it may make timely adjustments to the wage level in line with the current wages of the labor market.
- Article 22: When Party A has a surplus, it shall issue bonuses (special bonuses) according to the conditions for issuing annual bonuses to Party B's member based on the calculation using discretionary service distribution rates.

Chapter VII Welfare, Safety and Health

- Article 23: Party A provides employee welfare funds in accordance with the Employee Welfare Fund Act, and Party A and Party B shall establish a welfare committee to handle welfare matters with the approval of government authorities.
- Article 24: Party A shall apply for labor insurance for Party B members according to the provisions of the Labor Insurance Law. Party B members have the rights of labor insurance benefits set up by the government and the obligation to pay premium rates proportionally.
- Article 25: Party A shall provide for the retirement reserve in accordance with the law, Party A and Party B shall establish the Labor Retirement Reserve Supervisory Committee to handle matters concerning retirement as approved by government authorities.
- Article 26: If Party B members need to commute to work by themselves, because the workplace is remote or transportation is inconvenient, and if necessary, Party A may arrange a shuttle bus service.
- Article 27: To comfort during a family bereavement of Party B members' death on the job, compensation should be handled in accordance with the "Employee Workplace Death Payment Scheme".
- Article 28: Party A should prevent occupational hazards and establish appropriate working conditions

and welfare measures for Party B members. Its relevant safety, health and welfare provisions, should be dealt with according to the relevant laws and regulations.

Article 29: Party B's new members should pass the health check from a public hospital (clinic), and Party A should arrange regular health checks in accordance with the law, however, workers working in special environments should be checked once a year.

Article 30: According to the results of the previous health check, if a member is in need of medical treatment, Party A shall adjust his work load or change his/her working unit as part of the treatment, and if the results after medical treatment or sick leave do not improve, and he/she fails to perform his duties, Party A shall dismiss the member. However, if the cause is due to occupational disasters or occupational diseases, after Party A has provided for compensation by law, the case may be dealt with according to the retirement regulations. For those who already meet the conditions of retirement, the case should be dealt with under the retirement rules.

Article 31: In cases of childbirth by the spouse of Party B members, Party A agrees to give two days of remunerated paternity leave to the member, and it will not affect allowances, performance appraisal and bonuses.

Article 32: In order to encourage employees to use household electrical appliances of the company, Party A shall formulate the Employee Installment Scheme in favor of Party B members.

Article 33: To reward of hard work of Party B members during the year, Party A shall hold an annual staff party celebration every year before and after the Lunar New Year.

Chapter VIII Promote Production and Sales

Article 34: Party B members should comply with Party A's operating principles, working rules and Party A's relevant provisions and support Party A's business plan, and subject themselves to commands from all levels of supervisors in charge, exhibit loyalty to their duties, be diligent in the production and sales activities, in order to reach optimum business performance.

Article 35: Party A and Party B shall hold regular Union/Management meetings according to law in order to promote production and sales, enhance work efficiency, seek business development and improve the labor-capital-Union/Management relations by communicating the opinions of both parties.

Article 36: In order to meet the actual needs and maintain effective operations of the enterprise, Party B agrees Party A may apply for rotation leave in accordance with the "Employee Rotation Leave Measures" in case one of the following circumstances is present. However, Party A shall notify Party B when there is any revision of the "Employee Rotation Leave Measures".

(1) Where the employers' businesses suffers market contraction.

(2) Where a force majeure event necessitates the suspension of business for more than

one month.

(3) All or part of the factory face downtime or cuts production.

(4) Due to changes in production techniques or procedures, necessitating it to reduce staff.

Article 37: When Party B members make a constructive proposal for improvement, Party A shall review and commend it in accordance with the "Proposal to Improve Award".

Chapter IX Supplementary Rules

Article 38: Based on the principle of harmonious labor and capital Union/Management cooperation, coexistence and common prosperity, Party A agrees to provide Party B with a location and address for labor union meetings to deal with labor union affairs.

Article 39: This Agreement shall be signed by the representatives elected by both Party A and Party B with the consent of both parties and shall take effect on the day following the approval by the competent authority.

Article 40: This Agreement is made in quadruplicate, except for two notices to the Competent Authority, Party A and Party B each retain a copy.

Party of Agreement :

Party A : TECO Electric & Machinery Co.,Ltd.

Representative :

Party B : Industry Union of TECO Electric & Machinery Co.,Ltd.

of Taipei county

Representative :

Representative :

Representative :

Witness : Taipei County

Instructor :

Republic of China

Year

Month

Date