

TECO Electric & Machinery Co., Ltd.

Rules Governing Election of Directors

(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.

Article 1

The election of the directors of the Company shall be in accordance with these Rules.

Article 2

Candidate's nomination system is adopted for election of the directors of the Company. Except as otherwise provided by the Article of Incorporation of the Company, each share of the Company held shall have the same number of votes as the number of the directors to be elected, which may be for one and the same candidate or distributed for a plural number of candidates.

Article 3

The chairperson of the election shall appoint a number of voting supervisors and ballots counters before the election begins.

Article 4

The directors of the Company will be elected by the relevant shareholders meeting from among those who have disposing capacity. The number of directors elected shall be in accordance with the Articles of Incorporation of the Company according to the number of votes represented by the ballots won. The independent directors and non-independent directors shall be elected at the same election with the number of independent directors elect and that of the general directors elect counted separately. The election of the independent directors shall be in accordance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the relevant rules, laws and regulations. Where there are two or more candidates who have each won equal number of votes and the number of vacancies to fill is less than such candidates, the elect shall be determined by drawing lot. Those who are not present at the meeting shall be represented by the chairperson to draw the lot.

Article 5

Except as otherwise approved by the competent authority, the number of the directors of the Company who run into either of the following relationships among themselves must be less than one half of the total number of directors:

1. Spouse; or

2. Relatives of the second degree.

For elected directors who run counter to the aforementioned regulation, those gaining the support of fewer voting rights should be disqualified.

Article 6

The ballots shall be produced and prepared by the Board of Directors; each ballot shall bear the number of the attendance card and the number of votes it represents.

Article 7

The voting shareholder shall indicate in the ballot the account name and shareholder account number of the candidate voted if he or she is a shareholder, and the name and the national identification card number or passport number of the candidate voted if he or she is not a shareholder. However, where the candidate voted is a government agency or institutional shareholder, the voting shareholding shall fill in the ballot the title of such 60 government agency or institutional shareholder and the names of all of its representatives (if any).

Article 8

A ballot cast will be void if

1. It is not in the form and substance prepared by the Board;
2. It bears the names of various candidates, which outnumbers the limit fixed;
3. It bears any words other than the personal (account) name, shareholder account number (or identification paper number) of the candidate voted, and the number of the votes cast;
4. It is blank;
5. It is illegible or altered;
6. Where the candidate written therein is a shareholder, the account name or the shareholder account number is different from that indicated in the shareholders roster; where the candidate written therein is a non-shareholder, the personal name written therein is different from his or her identification paper;
7. Where the candidate written therein is a shareholder, the account name written therein is identical with another shareholder's with no shareholder account number given for identification purposes; or where the candidate written therein is not a shareholder, the personal name indicated therein is identical with that of another non-shareholder with no identification number given for identification purposes.

Article 9

The ballots shall be open at the end of the voting and the result of the election shall be announced by the chairperson.

Article 10

The directors elected shall each cause their signed acceptance letters served to the Company within 12 days from the election date.

Article 11

These Rules and all subsequent amendments each shall come into force after being adopted by the relevant shareholders meeting.

Article 12

These Rules were adopted by the shareholders meeting of 14 April 1974.

The first amendment to these Rules was adopted by the shareholders meeting of 31 May 2002.

The second amendment to these Rules was adopted by the shareholders meeting of 13 June 2008.

The third amendment to these Rules was adopted by the shareholders meeting of 10 June 2011.

The fourth amendment to these Rules was adopted by the shareholders meeting of 23 June 2014.