

TAIWAN POWER COMPANY247 Roosevelt Road, Section 9
Taipei 10768, Republic of ChinaS. M. Chang
President

January 3, 1991

Dr. Thaddcus Garrett, Jr.
President
Garrett and Company
1630 Connecticut Avenue, N.W.
Washington, D.C. 10009
U. S. A.

Dear Dr. Garrett:

This letter will confirm the intent of the Taiwan Power Company, Republic of China, to engage your services on a one-year contract basis for consultation and representation in the United States in the furtherance of trade and commerce. Your services will not include engaging in political activities or lobbying of U.S. government officials.

Further, this will confirm the basic terms of the arrangements which will be renewed as from January 15, 1991. The Taiwan Power Company will make a monthly payment to you in the amount of \$16, 666.66 (Sixteen Thousand Six Hundred Sixty-Six U.S. dollars and Sixty-Six Cents), with the first payment to be made on the effective date of the contract, January 15, 1991. Thereafter, a payment shall be made on the first day of each month.

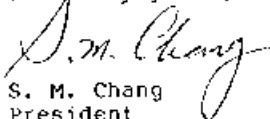
It is our further intent to set up an annual expense fund in the amount of up to \$10,000 (Ten Thousand U.S. dollars). This sum shall be provided to you for the purpose of covering the various expenses actually incurred while rendering services to us as your client. The reimbursement of the above mentioned expenses will be made against authentic and validated statements and receipts to be submitted by you on a monthly basis.

If the above arrangements meet with your concurrence and acceptance, please sign and return the enclosed copy of this letter for our files.



The undersigned has agreed to the terms and conditions set forth herein.

Sincerely yours,



S. M. Chang
President
Taiwan Power Company