

Delta Electronics, Inc. (the "Company")  
Rules and Procedures of the Meeting of Board of Directors  
(Translation)

Passed by the Board of Directors on February 27, 2004

Amended and passed by the Board of Directors on October 26, 2006

Amended and passed by the Board of Directors on March 19, 2007

Amended and passed by the Board of Directors on March 10, 2008

Amended and passed by the Board of Directors on June 28, 2012

Amended and passed by the Board of Directors on October 29, 2012

Amended and passed by the Board of Directors on October 27, 2015

**Article 1**

The Rules and Procedures of Meeting of Board of Directors have been stipulated in order to establish an effective governance system, enhance supervising capability, and strengthen management functions for the Board of Directors pursuant to the "Regulations Governing Procedures for Board of Directors Meetings of Public Companies."

**Article 2**

The main agenda items, operational procedures, required content of the Meeting (as defined below) minutes, public announcements and other compliance requirements in the Company's rules and procedures of meeting of Board of Directors shall comply with the rules and procedures set forth below.

**Article 3**

The Board of Directors shall meet at least quarterly. The reasons for calling a Board of Directors meeting (the "Meeting") shall be notified to each director at least seven (7) days in advance. In emergency circumstances, however, the Meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in paragraph 1 of Article 12 shall be specified in the notice of the reasons for calling the Meeting; none of them may be raised by an

extraordinary motion except in the case of an emergency or legitimate reason.

#### **Article 4**

The Investor Services of the Company shall be the unit in charge of handling all matters related to the proceedings of the Meeting and shall be responsible for coordinating Meeting matters, preparing agenda items for the Meetings, and shall provide sufficient pre-Meeting materials, to be sent together with the notice of the Meetings.

A director of the opinion that the pre-Meeting materials provided is insufficient in content may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.

#### **Article 5**

When the Meeting is held, an attendance book shall be made ready for signature by directors attending the Meeting and thereafter made available for future reference. Attendance via video-conference is deemed as attendance in person.

If a director is unable to attend the Meeting, he/she may appoint one of the other directors to attend the meeting on his/her behalf by executing a power of attorney specifying the power authorized in relation to the proposals to be discussed at the Meeting. However, each attending director may only act for one of the other directors.

#### **Article 6**

The Meetings shall be held at the location and during the business hours of the Company, or at a place and time convenient to all directors and suitable for holding such the Meeting.

#### **Article 7**

Meetings shall be called and chaired by the chairperson of the board. However, the first Meeting of each newly elected Board of Directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the Meeting, they shall choose

one person by and from among themselves to do so.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson; or the vice chairperson also is on leave or for any reason is unable to act, by a director designated thereby, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.

### **Article 8**

The Investor Services shall prepare relevant materials for the directors' reference at any time during the course of the Meeting.

When holding a Meeting, the Company may, as necessary for the agenda items of the Meeting, notify personnel of relevant departments or subsidiaries to attend the Meeting as nonvoting participants. When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chairperson of the Meeting shall call the Meeting to order at the scheduled time of the Meeting if a majority of the directors are present. When the time of a Meeting has arrived and one-half of all the board directors are not present, the Meeting chairperson may announce postponement of the Meeting time, provided that only two postponements, in combined total of not more than one hour, may be made. If the quorum is still not met after two such delays, the chairperson may re-call the Meeting in accordance with the procedures provided for in Article 3 hereof.

The term "all the board directors" as referred to in the preceding paragraph shall include only the directors in active duty as such.

### **Article 9**

The Company shall record on audio or video tape the entire proceedings of a Meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a Meeting, the relevant evidentiary

audio or video data and information recorded in the Meetings shall be continuously retained until the conclusion of the proceedings of such lawsuit.

Where a Meeting is held via video-conference, the data contained in the audio or video recordings of that Meeting shall constitute a part of the Meeting minutes and shall be securely retained throughout the duration of the Company.

## **Article 10**

Agenda items for regular Meetings shall include at least the following:

1. Reports:

- (1) Minutes of the last Meeting and actions arising.
- (2) Reporting business conditions.
- (3) Reporting financial conditions.
- (4) Reporting internal audit activities.
- (5) Other important matters to be reported.

2. Discussions:

- (1) Items discussed and continued from the last meeting.
- (2) Scheduled items for discussion at this meeting.

3. Extraordinary motions.

## **Article 11**

The proceedings of a Meeting shall be conducted in a predetermined order of agenda items as stated in the Meeting notice. However, the order may be changed with the approval of a majority of directors present at the Meeting.

The Meeting chairperson may not declare the Meeting closed unless with the approval of a majority of directors present at the Meeting.

If at any time during the proceeding of a Meeting, the directors sitting at the Meeting are not more than half of the directors present at the Meeting, then upon motion by the directors sitting at the Meeting, the chairperson shall declare a suspension of Meeting, in which case Article 8 shall apply mutatis mutandis.

## **Article 12**

The Company shall submit the following items for discussion by the Board of

Directors:

1. The Company's corporate business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (the "SEA").
4. Adoption or amendment, pursuant to Article 36-1 of the SEA, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
8. Any matter required by Article 14-3 of the SEA or any other law, regulation, or bylaw to be adopted by a resolution at a shareholders' meeting or at a Meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

Other than the paragraph 1 items submitted for consideration by the Board of Directors under the preceding paragraph, any delegation in accordance with laws and regulations or the Company's articles of incorporation by the Board of Directors of powers of the board shall be specific in terms of the levels, contents and matters so delegated.

With respect to a matter required by Article 14-3 of the SEA to be submitted to a

Meeting, each independent director shall attend the Meeting in person or appoint one of the other independent directors to attend the meeting on his/her behalf. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the Meeting minutes; an independent director intending to express objection or reservations but unable to attend the Meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the Meeting minutes.

### **Article 13**

When the chairperson at a Meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the matter to vote.

When a matter comes to a vote at a Meeting, if upon inquiry by the chairperson none of the entire directors present at the Meeting voices an objection, the matter is deemed approved, as if it has been approved by vote. A proposal shall be put to a vote if there is any objection after solicitation by the chairperson, and voting shall be conducted by a show of raising hands.

The term "the entire directors present at the Meeting" referred to in the preceding paragraph does not include the director who is not entitled to exercise the voting power at the Meeting pursuant to paragraph 1 of Article 15 hereof.

### **Article 14**

Except as otherwise stated in the SEA or in the Company Act, a resolution on a matter at a Meeting requires the approval of a majority of the directors present at the Meeting that shall be attended by a majority of all directors.

If there is amendment to or substitute for an agenda item, the chairperson shall decide the sequence of voting for such original agenda item, the amendment, and the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting will be necessary.

The result of voting shall be announced at the Meeting and placed on record.

Directors who object to the results of voting may make a written statement, and such written statement shall be recorded in the minutes of the Meeting.

## **Article 15**

If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

With respect to a resolution at a Meeting, the provisions of Article 180, paragraph 2, of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3, of that Act, shall apply in cases where a board director is prohibited by the preceding paragraph from exercising voting rights.

## **Article 16**

This Company's Board of Directors may establish various types of functional committees. If the Company's Board of Directors has established functional committees, the functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for approval.

## **Article 17**

Minutes shall be prepared of the discussions at Meetings; the Meeting minutes shall record the following:

1. Session (or year), time, and place of Meeting.
2. Name of the Meeting chairperson.
3. Attendance of directors at the Meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the Meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal;

opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 12, paragraph 5.

8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to paragraph 1 of Article 15, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
9. Other matters required to be recorded.

Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing; or any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee, in relation to a resolution passed at a Meeting shall be stated in the Meeting minutes and within two days of the Meeting be published on an information reporting website designated by the competent authority:

The attendance book forms a part of the minutes for each Meeting and shall be securely retained throughout the duration of the Company.

The minutes of a Meeting shall bear the signature or seal of both the Meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each director within twenty (20) days after the Meeting and well preserved as important company records during the existence of the Company.

The production and distribution of the Meeting minutes referred to in paragraph 1 may be done in electronic form.

## **Article 18**

The promulgation and amendment of the Rules and Procedures of Meeting of Board of Directors shall be approved by the Board of Directors.