



Delta Electronics, Inc. (the "Company")  
Rules of Performance Evaluation of the Board of Directors  
(Translation)

Passed by the Board of Directors on October 27, 2016  
Amended and passed by the Board of Directors on October 29, 2018

Article 1 (Establishment purpose and basis )

To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors, these rules is established pursuant to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies for compliance.

Article 2 (Compliance)

The general evaluation cycles, evaluation periods, scope and method of evaluation, the unit conducting evaluations, evaluation procedures and other matters for compliance under the Company's regulations governing the board performance evaluation of shall be subject to these rules.

Article 3 (Evaluation cycles and periods)

The Company shall conduct an internal board performance evaluation at least once a year. The internal board performance evaluation for the current year shall be conducted at the end of each year pursuant to the evaluation procedures and the evaluation indexes in Articles 6 and 8.

The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The performance evaluation for the current year shall be conducted at the year-end.

Internal and external board performance evaluations shall be completed before the first board meeting held in the following year.

Article 4 (Evaluation scopes and methods)

The scope of the Company's board evaluation may include the evaluation of the board as a whole, individual directors and functional committees.  
Methods of evaluations include the internal evaluation of the board, self-



evaluation by each board member, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Article 5 (The unit conducting evaluations)

The unit conducting internal evaluations of the Company's board of directors shall have an adequate understanding of the operation of the unit subject to evaluation and shall play a fair, impartial and independent role.

Article 6 (Evaluation procedures)

The procedures for the Company's board performance evaluation are as follows:

1. Determine the units to be subject to evaluation and the scope of evaluation in the current year.
2. Determine the method of evaluation.
3. Select the units appropriate to conduct the evaluations.
4. At the end of a year, the units performing evaluations will collect information about the activities of the board of directors and distribute the Questionnaire of Self-Evaluation of Performance of the Board. The unit responsible for evaluation will then collect all information, give scores based on the evaluation indexes set forth in Article 8, record the evaluation results in a report, and submit the report to the board of directors for discussion and improvement.

Article 7 (External evaluation institution or experts)

When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of board performance, the Company shall act in accordance with the following guidelines:

The external evaluation institution shall be an institution or management consulting firm mainly engaging in the provision of services for educational and training programs for board of directors and improvement of corporate governance of enterprises.

The panel of external experts and scholars shall appoint at least three experts or scholars specialized in the fields of board of directors or corporate governance to conduct evaluations of board performance of the company and prepare external evaluation analysis reports.

Article 8 (The criteria for evaluating and scoring)

The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors (functional committees), which shall at least include the following five aspects:



1. Participation in the operation of the Company;
2. Improvement of the quality of the board of directors' decision making;
3. Composition and structure of the board of directors;
4. Election and continuing education of the directors; and
5. Internal control.

The criteria for evaluating the performance of the board members, whether conducting by the board members themselves or among peers, shall at least include the following six aspects:

1. Familiarity with the goals and missions of the Company;
2. Awareness of the duties of a director;
3. Participation in the operation of the Company;
4. Management and communication of internal relationship;
5. The director's profession and continuing education; and
6. Internal control.

The indexes of board performance evaluation shall be determined based on the operation and needs of the Company and appropriate for evaluations by the Company.

Scoring criteria may be modified depending on the Company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.

Article 9 (The evaluation results as reference for electing members of the board of directors)

When electing members of the board of directors or nominating independent directors, the Company shall refer to the evaluation results of the performance of individual directors.

Article 10 (Disclosure in annual reports)

The Company shall disclose in its annual report whether rules governing the board performance evaluation have been established as well as how the board performance evaluation has been conducted each year, with a description of the evaluation method adopted.

In cases where an external institution or experts are appointed to conduct evaluations of board performance, the Company shall, in the annual report, disclose the names of the external evaluation institution, names of the experts, and specialties of the experts, and indicate if the external institution and experts have business dealings with the Company and if they are independent.



Article 11 (Disclosure methods)

The performance evaluation rules established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website.

Article 12 (Implementation)

These rules shall be effective after discussed and approved by the board of directors. Subsequent amendments thereto shall be effective in the same manner.