

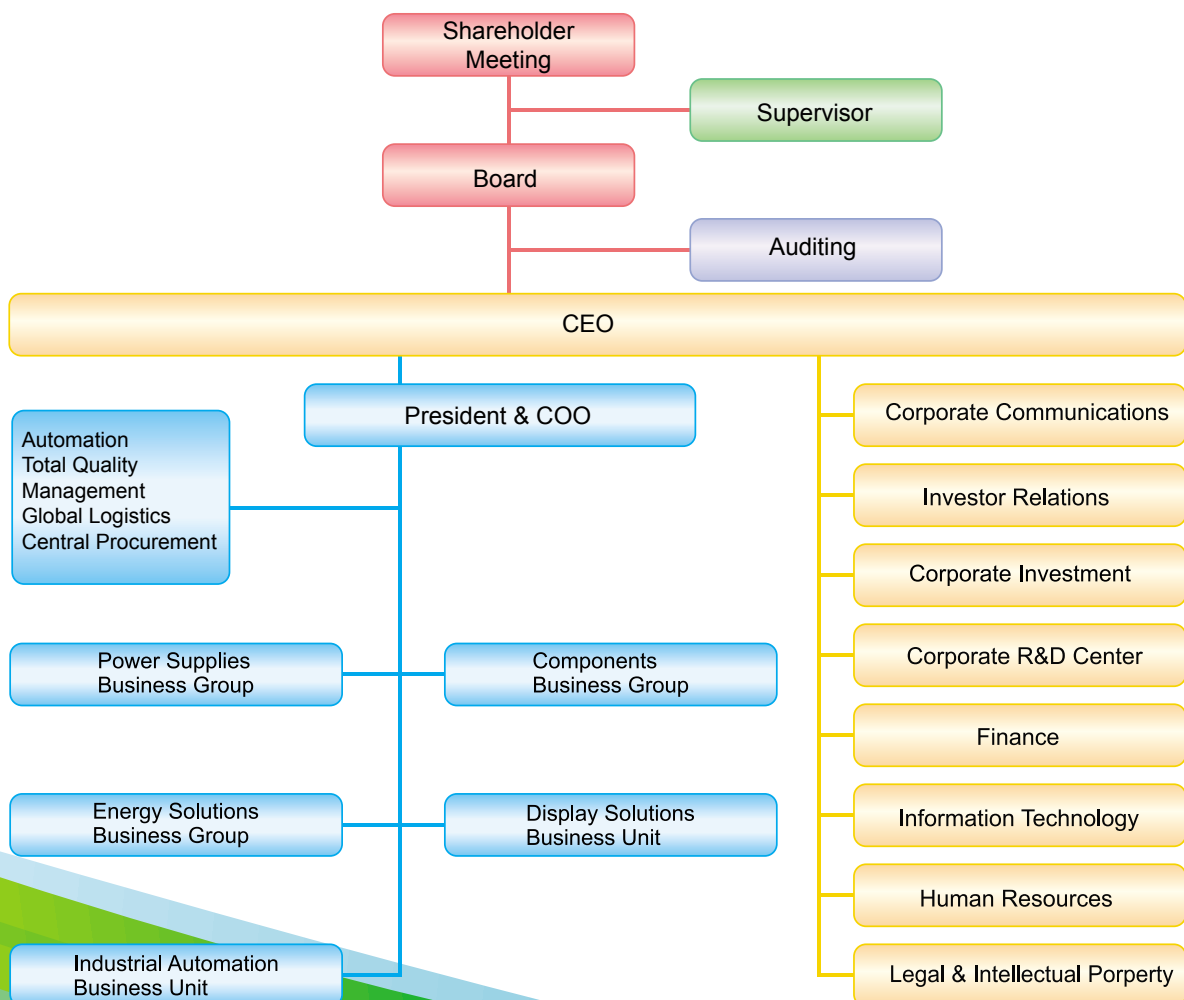
Corporate Governance and Ethics

"Maintain sound corporate governance and strictly abide by commercial and ethical standards" is a core commitment at Delta. We view this as a fundamental requirement for a responsible company, and we are dedicated to realizing this ideal in our everyday operations through comprehensive organizational planning and employee education.

Corporate Governance

Delta believes that high quality corporate governance is the best way to ensure that the company always delivers excellent performance and provides an optimum balance for all stakeholders' interests. Corporate governance is therefore our top priority.

Using the parent company Delta Electronics as an example, the board currently consists of nine directors and two supervisors, including one independent director and one independent supervisor. The board chairman does not hold an administrative position within the company. To enhance the board's responsibility and trust, it convenes at least once quarterly to review the company's performance and discuss important strategic issues (the board convened on seven occasions in 2008, and the overall attendance rate was 87%). Key resolutions passed by the board are published in a timely manner on the Market Observation Post System of the Taiwan Stock Exchange and in the corporate



governance section of the Delta website¹¹. The company charter, board meeting regulations and election rules for the directors/supervisors are also provided online for reference.

Apart from the board meetings, the independent director and supervisor also take part in Delta Electronics' internal strategy meetings to ensure they are familiar with the company's actual activities and can provide appropriate advice when necessary. The compensation for Delta Electronics' top executives must also be reviewed and approved by the independent director as well. In addition, our internal audit team is responsible for planning and conducting risk-oriented internal audits, as well as improving and promoting internal control systems then reporting directly to the Board of Directors to ensure that the company operates in accordance with the board's resolutions.

Delta's efforts in corporate governance continued to win outside recognition in 2008. Apart from winning Commonwealth Magazine's corporate citizen award, being named to Global Views Magazine's CSR honor roll, and listed as one of the top companies in Finance Asia Magazine's "Best Management" category for Taiwan, since 2002 Delta has placed first as Commonwealth Magazine's top electronics company and was named to Forbes Magazine's "Asia's Fabulous 50" for two straight years. Delta Electronics, Thailand (DET), a part of the Delta Group, was also given the best rating by the Annual General Shareholders Meeting, held by the Stock Exchange of Thailand. We will not rest on our laurels and will continue to improve the quality of corporate governance at Delta by strengthening the organization and function of the board to meet the expectations of all stakeholders.

Ethical Standards

The "Delta Code of Conduct" describes Delta's expectations for all employees around the world, regulates employees' conduct and asks all employees to protect Delta's assets, rights and image by committing themselves to engaging in legal and ethical behavior. The Code is taught as a part of each new employee's training, and "integrity" is a core part of the employee Performance Management and Development (PMD) evaluation.

Key provisions in the Delta Code of Conduct include the following :

- Integrity of records shall be maintained
- Misuse or illegal use of Delta assets is strictly prohibited
- Business gifts and entertainment shall be appropriate
- All employees are prohibited to attend any activity that conflicts with Delta's interests
- All employees have the obligation to comply with copyright laws
- All employees shall keep the company's proprietary information confidential
- All employees shall protect the company's intellectual property rights
- Insider trading is prohibited

It is the responsibility of every employee to protect Delta's reputation by maintaining the highest ethical standards. Any behavior that violates the Code shall be considered as misconduct. We require all employees to follow the contents of the Delta Code of Conduct to safeguard the rights of Delta and all stakeholders.

Footnotes

10. The Board of Directors election was held on June 10th, 2009.

11. See www.delta.com.tw/ir/ir_govern.asp.