

**ARTICLES OF INCORPORATION**  
**OF**  
**DELTA ELECTRONICS, INC.**  
**(Translation)**

**Section I - General Provisions**

**Article 1**

The Company is incorporated as a company limited by shares under the Company Law of the Republic of China, and its name is "Delta Electronics, Inc."

**Article 2**

The Company is engaged in the following businesses:

1. C801010 Basic chemical industry business;
2. C801990 Other chemical material manufacturing business;
3. CB01010 Machinery equipment manufacturing business;
4. CB01990 Other machinery manufacturing business;
5. CC01010 Electronic power generating, Electric transmission and power distributing machinery manufacturing business;
6. CC01030 Electric appliance and audiovisual electric products manufacturing business;
7. CC01040 Lighting equipment manufacturing business;
8. CC01060 Wire communication equipment and apparatus manufacturing business;
9. CC01070 Wireless communication devices and equipment manufacturing;
10. CC01080 Electronic parts and components manufacturing business
11. CC01990 Other electrical and electronic machinery and materials manufacturing business;
12. CC01101 Restrained telecommunication radio frequency equipment and materials manufacturing;
13. CC01110 Computers and its peripheral equipment;
14. CC01990 Other electrical and electronic machinery and materials manufacturing business;
15. CD01010 Ship and parts manufacturing business;
16. CD01020 Tramway Cars manufacturing business;

17. CD01030 Automobiles and auto-parts manufacturing business;
18. CD01040 Motorcycles and motorcycle parts manufacturing business;
19. CD01050 Bicycles and bicycle parts manufacturing business;
20. CD01060 Aircraft and parts manufacturing business;
21. CD01990 Other transportation equipment and parts manufacturing business;
22. CE01010 General equipment and instruments manufacturing business;
23. CE01021 Measuring instruments manufacturing business;
24. CE01030 Photographic and Optical Equipment Manufacturing business;
25. CE01040 Clocks and Watches manufacturing business;
26. CF01011 Medical appliances and equipment business;
27. E601010 Electric appliance installation business;
28. E603050 Automation control equipment manufacturing business;
29. E605010 Computer equipment installation business;
30. E701030 Restricted telecommunication radio frequency equipment and materials installation business;
31. F108031 Drugs and medical goods wholesale business;
32. F113020 Electrical appliances wholesale business;
33. F113050 Computer and office appliances and equipment wholesale business;
34. F113070 Telecommunication equipment wholesale business;
35. F108031 Computer software wholesale business;
36. F119010 Electronic components and materials wholesale business;
37. F199990 Other wholesale business;
38. F208031 Medical equipment retail business;
39. F209060 Education, musical instruments and entertainment articles retail business;
40. F213010 Electrical appliances retail business;
41. F213030 Computer and Office appliances and equipment retail business;
42. F213060 Telecommunication equipment retail business;
43. F218010 Computer software retail business;
44. F219010 Electronic components and materials retail business;
45. F399040 Non-store retail business;
46. F401010 International trade business;
47. F401021 Restricted telecommunication radio frequency equipment and materials import business;
48. F401181 Measuring instrument importing business;
49. G801010 Warehousing and storage business;
50. I301010 Software design and service business;
51. I301020 Digital information supply services business;
52. I301030 Digital information services business;
53. I401010 General advertising service business;

- 54. I501010 Product external appearance designing business;
- 55. I599990 Other design business;
- 56. IG03010 Energy technical services business;
- 57. IZ03010 Newspaper clipping business;
- 58. IZ04010 Translation business;
- 59. IZ10010 Typesetting business;
- 60. IZ 13010 Network authentication service business;
- 61. J303010 Magazines publishing business;
- 62. J304010 Books publishing business;
- 63. J305010 Audio publishing business;
- 64. J399010 Software publishing business;
- 65. J399990 Other publishing business;
- 66. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.
- 48. ZZ99999 All businesses that are not prohibited or restricted by laws and regulations other than those requiring special permits.

### **Article 3**

The Company shall have its head office in Taoyuan County, Taiwan, and may set up branch offices at various locations that the Board of Directors may deem necessary by resolution.

### **Article 4**

The method to make public announcements of the Company shall be subject to Article 28 of the Company Law and regulations stipulated by the competent securities administration authority.

### **Article 4-1**

When necessary for its operations, the Company may provide endorsement and guarantee in accordance with the "Operational Procedures for Providing Endorsement and Guarantee" of the Company.

## **Section II - Capital Stock**

### **Article 5**

The total capital stock of the Company shall be in the amount of NT\$27,000,000,000, divided into 2,700,000,000 shares, at a par value of Ten New Taiwan Dollars (NT\$10) each, and may be issued in installments subject to the resolution of the Board of Directors. Within the aforementioned capital, NT\$1,000,000,000 divided into 100,000,000 shares shall be reserved for issuing warrants, preferred shares with warrants or corporate bonds with warrants. In the event that the Company intends to issue employee warrants whose exercise price is lower than the closing price of the Company stocks as of the issue date, a resolution at a shareholders' meeting shall be adopted if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present. In the event that the Company intends to transfer to employees the bought-back shares at the price lower than the actual average buying-back price, a resolution at a shareholders' meeting shall be adopted prior to such transfer if voted in favor by two-thirds of the votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

#### **Article 5-1**

The aggregate amount of the Company's investment in other entities is not subject to the restriction stipulated in Article 13 of the Company Law.

#### **Article 5-2**

Deleted

#### **Article 6**

The shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with the securities centralized depository institution.

#### **Article 6-1**

Deleted

#### **Article 7**

Unless otherwise provided for in applicable laws, regulations and rulings stipulated by the competent securities authority, the Company shall handle its stock affairs for shareholders in accordance with the Company Law and the

-Regulations Governing Handling of Stock Affairs by Public Companies.

**Article 8**

Deleted

**Article 9**

Deleted

**Article 10**

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**Article 11**

Registration for stock transfer shall be suspended for sixty days before any general shareholders' meeting, thirty days before any special shareholders' meeting, and five days before a record date on which dividends, bonuses or any other interests are scheduled for distribution by the Company.

**Section III - Stockholders' Meeting**

**Article 12**

Shareholders' meetings shall be of two types: general meetings and special meetings. General shareholders' meetings shall be convened within six months after the end of each fiscal year. Special meetings shall be convened according to laws when necessary.

**Article 13**

In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Law.

**Article 14**

A shareholders' meeting shall be presided over by the Chairman of the Board of Directors. In case of his absence, the Chairman of the Board of Directors shall

designate one director to act on his behalf. In the absence of such designation, the directors shall elect one from among themselves as the chairman of the meeting.

#### **Article 15**

A shareholder shall be entitled to one vote for each share held by him/her; except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Law.

#### **Article 16**

Unless otherwise provided for in the Company Law, any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

#### **Article 17**

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes and signed or sealed by the chairman of the meeting, which shall be distributed to each shareholder within twenty (20) days after the meeting. The minutes shall record the key contents and the results of the meeting. The minutes, the sign-in-book of attending shareholders and proxy forms shall be kept in the Company. For each registered shareholder whose shareholding is less than one thousand shares, the distribution of meeting minutes may be effected by means of a public announcement.

The preservation period for the minutes, sign-in book of attending shareholders, and proxy forms shall be subject to the Company Law.

### **Section IV - Directors and Supervisors**

#### **Article 18**

The Company shall have at least five but no more than nine directors and two or three supervisors to be elected at the shareholders' meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors and supervisors shall be three years. All of the directors and supervisors are eligible for re-election.

To conform to the Securities and Exchange Act, the Company shall have, among

the aforementioned directors, at least one but no more than three independent directors. The independent directors shall be elected from among the nominees listed in the roster of independent director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law. Compliance matters with respect to independent directors shall be subject to the regulations prescribed by the Company Law and the securities authority.

The aggregate number of the registered shares held by all directors and supervisors shall be subject to the regulations, if any stipulated by the competent securities authority.

Remuneration for directors and supervisors shall be determined by the shareholders' meeting.

The Company may purchase liability insurance for its directors and supervisors.

#### **Article 19**

When one-third of the directors have vacated their offices, a shareholders' meeting shall be convened by the Board of Directors within sixty days to elect new directors to fill the vacancies. The term of office of the newly elected director shall be the same as the remaining term of the predecessor.

#### **Article 20**

If the re-election of directors and supervisors is not held before the current term of office expires, the incumbent directors and supervisors shall hold office until their successors have been elected and have assumed their office.

#### **Article 21**

The Board of Directors shall be formed by directors. The directors shall elect from among themselves the Chairman of the Board of Directors by a majority of votes cast by the directors present at the meeting attended by at least two-thirds of the directors, and such method may apply to the election of vice-Chairman. The Chairman and vice-Chairman shall conduct the business of the Company in accordance with applicable laws and regulations, these Articles of Incorporation of the Company, the resolutions adopted at shareholders' meetings and the resolutions adopted by the Board of Directors.

#### **Article 21-1**

The Company may set up various functional committees under the Board of Directors. Each functional committee shall stipulate the operating rules for its functioning and such operating rules shall only take effect after the approval of the

Board of Directors.

## **Article 22**

Business policy of the Company and other important matters shall be decided by resolutions adopted by the Board of Directors. Any meeting of Board of Directors shall be convened by the Chairman of the Board of Directors who shall also be the chairman of the meeting, provided that the first meeting of each term of the Board of Directors shall be convened in accordance with Article 203 of the Company Law. In case the Chairman of the Board of Directors is on leave or cannot exercise his powers, he may designate a proxy in accordance with Article 208 of the Company Law.

### **Article 22-1**

The notice of meeting of Board of Directors shall be made in accordance with Article 204 of the Company Act, and may be made in writing, or by email, facsimile, etc.

## **Article 23**

Unless otherwise provided in the Company Law, a meeting of the Board of Directors at which a resolution is adopted shall be attended by a majority of the directors and a majority of those present shall vote in favor of such a resolution. If a director cannot attend a meeting of Board of Directors, he shall appoint another director as proxy to attend the meeting and shall execute a power of attorney for the proxy. The power of attorney shall specify the scope and limitation of authority or powers in respect to the business to be transacted at the meeting. The proxy may accept the appointment of one director only. If a meeting of the Board of Directors is held by way of a videoconference, the director who attends the meeting in such manner shall be deemed as present in person.

## **Article 24**

Resolutions adopted at the meeting of the Board of Directors shall be recorded in the minutes and signed or sealed by the chairman of the meeting and the recorder. The minutes shall be distributed to each director and supervisor within twenty (20) days after the meeting. The minutes shall be classified as important files of this Company and shall be well preserved during the existence of the Company. The required items of the minutes shall be subject to the Company Law and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

The production and distribution of the meeting minutes may be made in the electronic form.

#### **Article 25**

The supervisors, in addition to independently exercising their supervising powers according to applicable laws, may attend meetings of the Board of Directors to voice their opinions (but shall not be entitled to participate in voting).

### **Section V - Officers and Staffers**

#### **Article 26**

The Company may appoint officers. The appointment and discharge of the officers shall be approved by a majority in a meeting of the Board of Directors attended by a majority of the directors.

#### **Article 27**

Deleted

#### **Article 28**

Deleted

### **Section VI - Finalization of Accounts**

#### **Article 29**

The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the supervisors for audit thirty days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the supervisors, shall be submitted to the general shareholders' meeting for acceptance:

1. Business Report;
2. Financial Statements; and
3. Proposal concerning allocation of earnings or making up losses.

#### **Article 30**

The Company shall allocate the earnings for each fiscal year in the following

order:

1. Paying tax;
2. Making up losses for preceding years;
3. Setting aside a legal reserve at 10% of the earnings;
4. Setting aside a special reserve when necessary;
5. The balance after the abovementioned payments are made, together with the undistributed earnings as of the beginning of that fiscal year, shall be allocated pursuant to resolution of the shareholders' meeting in the following order for that fiscal year:
  - (1) no more than 1% as the remuneration for directors and supervisors;
  - (2) at least 3% as the employee bonuses; when bonuses are distributed in the form of stock, persons eligible for such distribution shall include employees of the Company's subsidiaries who meet certain qualifications. The Board of Directors, or persons authorized by the Board of Directors, shall stipulate relevant regulations for distribution of employee bonuses; and
  - (3) the shareholders' dividends: the balance after deducting the receding two items thereof shall then be allocated as dividends to the shareholders.

### **Article 30-1**

The Company is situated in a volatile environment and is at the stable growth phase of the enterprise life cycle. Furthermore, taking into account the Company's financial structure, ability to generate operating profits, and the need to expand the operating scale, the Company decides to adopt a residual dividend policy.

The proposal concerning the allocation of earnings raised by the Board of Directors shall be made where at least 50% of the distributable earnings as of that year should be allocated as the shareholders' dividends, and no less than 5% of the distributed dividends shall be in the form of cash.

## **Section VII - Supplementary Provisions**

### **Article 31**

The internal organizational rules and regulations of the Company shall be separately stipulated by the Board of Directors.

## **Article 32**

In regards to all matters not provided for in these Articles of Incorporation, the Company Law and other laws and regulations shall govern.

## **Article 33**

These Articles of Incorporation were enacted on July 28, 1975.

The first amendment was made on September 25, 1976;

The second amendment was made on January 10, 1977;

The third amendment was made on May 31, 1977;

The fourth amendment was made on May 29, 1978;

The fifth amendment was made on March 31, 1979;

The sixth amendment was made on May 28, 1979;

The seventh amendment was made on September 20, 1980;

The eighth amendment was made on September 9, 1982;

The ninth amendment was made on April 20, 1983;

The tenth amendment was made on June 25, 1984;

The eleventh amendment was made on June 10, 1985;

The twelfth amendment was made on June 20, 1985;

The thirteenth amendment was made on July 12, 1985;

The fourteenth amendment was made on April 18, 1987;

The fifteenth amendment was made on May 12, 1987;

The sixteenth amendment was made on November 17, 1987;

The seventeenth amendment was made on December 11, 1987;

The eighteenth amendment was made on March 19, 1988;

The nineteenth amendment was made on May 12, 1988;

The twentieth amendment was made on July 24, 1988;

The twenty-first amendment was made on November 25, 1988;

The twenty-second amendment was made on May 22, 1989;

The twenty-third amendment was made on May 9, 1990;

The twenty-fourth amendment was made on May 8, 1991;

The twenty-fifth amendment was made on May 8, 1992;

The twenty-sixth amendment was made on May 8, 1993;  
The twenty-seventh amendment was made on May 9, 1994;  
The twenty-eighth amendment was made on May 10, 1995;  
The twenty-ninth amendment was made on June 6, 1996;  
The thirtieth amendment was made on June 3, 1997;  
The thirty-first amendment was made on May 15, 1998;  
The thirty-second amendment was made on May 12, 1999;  
The thirty-third amendment was made on May 18, 2000;  
The thirty-fourth amendment was made on May 16, 2001;  
The thirty-fifth amendment was made on May 16 2002;  
The thirty-sixth amendment was made on May 6, 2003;  
The thirty-seventh amendment was made on May 18, 2004;  
The thirty-eighth amendment was made on May 19, 2005;  
The thirty-ninth amendment was made on May 18, 2006; and  
The fortieth amendment was made on June 8, 2007.  
The forty-first amendment was made on June 13, 2008.  
The forty-second amendment was made on June 10, 2009.  
The forty-third amendment was made on June 15, 2010.