



## Delta Electronics, Inc. Compensation Committee Charter

Approved by 2010/3/11 Board Meeting

Amended by 2011/8/18 Board Meeting

### I. Purpose

The Compensation Committee (the “Committee”) of Delta Electronics, Inc. (the “Company”) shall discharge the responsibility of the Board of Directors (the “Board”) relating to the evaluation of the performance-linked compensation of the Company’s directors, supervisor and executive officers.

### II. Composition

1. The Committee shall be comprised of no fewer than three members consisting of at least one independent director. If there is more than one independent director, then one of them shall be elected to be the convener and chairperson of the Committee.
2. The tenure of office of the Committee member shall be the same as the tenure of the Board approving such Committee members.
3. In the event that any member of the Committee is dismissed for any reason, resulting in there being less than 3 members, a board of directors meeting shall be held within 3 months of the date of occurrence of the event to appoint a new member as the replacement.

### III. Authority

The Committee shall exercise the following duties with the care of a good administrator faithfully and submit its proposals to the Board.

1. Establish and Review the performance assessment and policy, system, standards and structure relevant to compensation of directors, supervisors and executive officers periodically.



2. Evaluate the compensation of directors, supervisors, and executive officers periodically.

The “Compensation” set forth herein shall include cash compensation, stock options, profit sharing, retirement benefits or severance pay and other substantive incentive measures in consistent with the statements set forth in the annual report of the Company.

The Committee shall comply with the following guidelines when exercise its duties set forth above:

1. Compensation management reviewed and evaluated by the Committee shall be consistent with the Company reward policy.
2. Performance assessment and compensation of directors, supervisors, and managers shall be evaluated by the Committee through benchmark a group of selected peer companies and in relation to individual performance and the Company's performance and future risks.
3. The Committee shall not solicit director(s) and managers to engage in any acts beyond the risk that Company could tolerate for the pursuance of their compensation.
4. The Directors and senior managers' short-term performance based profit sharing ratio and variable compensation payout schedule shall be determined based on Industry practice and business nature of the Company.

When review the proposal submitted by the Committee, Board shall give comprehensive consideration to matters including amount of compensation, payment method and Company's future risk.

The Board may reject or modify the Committee's proposal by a majority vote at a meeting attended by over two-thirds or more of the directors. Based on comprehensive consideration of preceding paragraph, the Board shall specify in the meeting minutes of the meeting held by the

Board, whether the resolution of the compensation is better than the proposal submitted by the Committee

#### **IV. Meeting**

1. Meeting for the Committee shall be held at least twice a year, and may be held at any time, if needed.
2. The convener of the Committee shall convene the meeting and shall be the chairperson of the meeting. In the event that the convener is in a leave of absence or for any reasons can not convene the meeting, the convener shall appoint a deputy. If no deputy has been appointed, one of the other members of the Committee shall be elected.  
The Committee has the authority to request directors, managers, internal auditors, certified public accountants, legal advisors or other employees attend the meeting of the Committee to provide relevant information.
3. The convener should provide the members with seven-day prior notice with the reason of convening, except for an emergency circumstance. The convener shall be responsible for setting up the meeting agendas, and other members may submit motions to convener for discussion in the Committee meeting. The agenda shall be provided to the members of the Committee before the meeting. The reason of convening and the agenda can be distributed in electronic format.
4. An attendance sheet should be provided for meeting registration and thereafter made available for reference. Committee members shall attend the meeting in person; a member who cannot attend in person may appoint one member to attend as deputy to exercise the rights that have been delegated by the member. Attendance via tele- or video-conference is deemed as attendance in person.
5. The decision shall be made for a majority of the members to constitute a quorum sufficient to the Board for approval. During voting,



if there is no dissent by any of the members, the motion shall be deemed passed, with equivalent force as a resolution by vote. The results of voting shall be announced immediately, and recorded in the meeting minutes.

6. The meeting minutes shall constitute the following information:
  - (1.) Session, time and place of the meeting
  - (2.) Name of meeting chair
  - (3.) Attendance, specifying the names and number of members in attendance, excused, and absent
  - (4.) Name and titles of those meeting attendances as non-voting participants
  - (5.) Name of meeting minutes recorder
  - (6.) Reported matters
  - (7.) Agendas: the resolution method and outcome of each motion and any objections or reservations expressed by any Committee member
  - (8.) Extraordinary motions: the name of the mover, the resolution method and outcome of the motion, and summarize the comments made by, and any objections or reservations expressed by, any Committee member, expert, or other person
  - (9.) Other matters required to be recorded

The attendance sheet is a part of the meeting minutes.

The meeting minutes shall be signed or stamped by the chairperson and the recorder after the meeting and shall be delivered to the members of the Committee within twenty (20) days and kept as Company's important file for five (5) years after the meeting. Notwithstanding the foregoing, in the event of any claim or action arising out of, in connection with the meeting minutes, the meeting minutes shall be reserved to the end of procedure of such claim or action. The meeting minutes can be made and



delivered in electronic format; any audio record or file shall be regarded as a part of the meeting minutes if the meeting is held in teleconference.

Any resolution decided by the Committee and the implementation related will be authorized and carried out by the convener or other members. The authorized convener or members shall provide a written action report to the Committee and such report shall be verified in the next meeting agenda.

**V. Disclosure**

If any of the followings occurs, Company shall report to the designated authority within 2 days counting from the date of the event.

1. Change of Committee member
2. The result of compensation decision made in Board meeting is better than the Committee's proposal
3. The record of any objection or reservations expressed by any Committee member

**VI. Consultation**

The Committee, after a resolution by itself, may retain legal advisor, certified public accountant or other independent advisor to assist the Committee in exercise its authority for any review or providing consultation, and such costs and expenses shall be borne by the Company.

**VII. Charter**

The Compensation Committee charter shall become effective once approved by the Board as well as any proposed changes.