

CORPORATE GOVERNANCE

The Board of Directors realized the importance of operating its business under good corporate governance. The corporate governance policy has been prepared and implemented since 2007. Regarding to the Board of Director Meeting no. 5/2014 dated 28 July 2014, the Board of Director resolved to approve the 3rd revision of the corporate governance policy, for further details of the Company's Corporate Governance Policies can be read from the Company's website: www.deltathailand.com/about_corp.php for public access as well as internally on intranet for employee's access. The policy covers 5 major categories as follows;

- Rights of Shareholders
- Equitable Treatment to Shareholders
- Role of Stakeholders
- Disclosure and Transparency
- Responsibilities of the Board

The implementation on the good corporate governance activities during the year 2014 can be summarized as follows.

○ *Rights of Shareholders*

The Company realizes and emphasizes the shareholders' rights with a policy to support, promote, and facilitate every shareholder including institutional investors to ensure that shareholders are entitled to all basic legal rights and obtain adequate business information including the updated important information via the Company's website. In addition, all shareholders as well as institutional shareholders have been continuously encouraged to participate and vote in the shareholders meeting for material matters that may affect their rights and interests etc.

The Company generally holds an annual general meeting of shareholders (AGM) once a year within four months after each fiscal year end. In 2014, the AGM was held on March 31, 2014 at the Company's office located at Bangpoo Industrial Estate, Samutprakarn province and meeting was conducted in accordance with the good governance principles, the Company has been rated "Excellent" for the high standard of annual general meeting (AGM Assessment) conducted in the year 2014 with full score of 100 from the Thai Investors Association. There was no extraordinary general shareholders' meeting held during the year.

● *Prior to the Meeting*

Record date was used to justify the shareholders who entitled to attend the meeting. The Company entrusted Thailand Securities Depository Co., Ltd. (TSD) who acted as registrar to send out invitation for the meeting in both Thai and English together with other supporting information and documents to all shareholders 14 days prior to the AGM date. At the same time, it announced the call for the AGM meeting on a Thai daily newspaper for three consecutive days and at least three days before the meeting date. All those documents were also made available to the shareholders on the Company's website for 30 days in advance. All information made available for easy access by shareholders was to provide adequate time for them to review the agenda. The meeting invitation had expressly indicated the matters to be tabled at the meeting, whether for acknowledgement, approval or consideration. In addition, it enclosed the Board's opinions and supported document to

ensure that shareholders had sufficient information to consider all issues. To be well prepared for the meeting day, the Company provided a list of necessary evidences must be presented to identify themselves and a proxy form (as outlined by the Ministry of Commerce) to facilitate the shareholders who cannot attend the meeting and wish to give proxy to others.

In addition, the company always inform and invite institutional investor to join the the meeting as well as facilitate them by arranging proxy and related documents collection when they can't participate the meeting.

● *On the Meeting Date*

The Company provided shuttle services at The Stock Exchange of Thailand building for shareholders who wished to attend the Meeting. On meeting date, attendance registration commenced not less than 1 hour before the meeting started. Shareholders who came late were allowed to vote for the remaining agenda and shall constitute part of the quorum starting from the agenda item for which they are in attendance and can exercise their voting rights unless the Meeting states otherwise. Barcode system had been employed to facilitate the attendance registration and vote count. Duty stamps were available to shareholders without charges.

In the meeting, all directors attended the meeting. The Chairman of the Board, Chairman of all sub-committees, the President and other key management members such as Chief Financial Officer (CFO) and the external auditor were presented in order to listen to the shareholders' opinions or suggestions and also answered any questions they might have similar to what were done in prior year. The company had implemented its registration and vote count systems which could demonstrate the result of the vote count immediately. Before the meeting started, the Company notified number of shareholders who attended the meeting in person and proxy, and clarified voting procedure and vote count method. With regard to the voting criteria, each share is eligible for one vote and an ordinary resolution requires the majority votes (except the voting on a special resolution, the meeting must comply with the Company's Articles of Association and/or relevant laws). Votes are not allowed to shareholders who have interests related to any particular agenda. For the election of directors, individual votes are required. At the time of voting, in order to expedite the process, only the ballots voted for objections and abstentions were collected and deducted from total votes which attended the meeting and eligible to vote. In regard to the agenda on compensation to directors, the company notified shareholders for their consideration, the amount that each director received in form of remuneration and meeting allowances. There was no any objection or request for re-inspection from shareholders on such arrangement. The meeting proceeded according to the agenda and had no additional item without prior notification to shareholders. The preliminary voting results were reported openly at the meeting. A representative from, Allen and Overy (Thailand) Co., Ltd, was appointed to help inspect the vote count. During the meeting, shareholders were allowed to voice their opinions and raise questions in appropriate time. In fact, shareholders may submit their questions by e-mail to info@deltathailand.com, mail or fax to the Company before the

meeting date. This year, the Company had disseminated the invitation to shareholders to send their questions or opinions on the Company's website since October 15, 2014. Generally, the company secretary will review and gather the questions before submitting to the Board of Director for their consideration. However, in the meeting, the Board will principally attend the questions that related to the Company's operations or considered to create material impact on the operating results. There was no question proposed in 2014 Annual General Meeting.

● *After the Meeting Date*

Minutes of meeting recorded in writing every resolution, showing the number of approval, objection and abstention votes for each agenda. Questions, response, and opinions arose during the meeting were documented in order to examine afterwards. Report of the meeting had been disclosed on the website of the SET as well as and the Company's within 14 days after the meeting date (Please find further details in the [2014 Minutes of Annual General Meeting](#) posted on the Company's website)

● *Equitable Treatment to Shareholders*

If the shareholder is unable to attend the meeting, the shareholder may give a proxy to a person or to the Company's nominated independent directors to attend the meeting and vote on his/her behalf by completing and sending to the Company a proxy form enclosed with the invitation for the meeting or by downloading the proxy form from the Company's website.

In addition, the Company opened for the shareholders to propose additional agenda and to nominate candidate to be director of the Company in advance. Procedures and details were disclosed on the Company's website during 1 October - 31 December 2013. Generally, the company secretary will review and gather the additional agenda and director nomination before submitting to the Board of Director for their consideration, but none had exercised the rights. For 2015 annual general meeting of shareholders, the Company also provided this opportunity to shareholders during the period of 15 October - 31 December 2014.

Insider Information Policy

Under the Company's policy, the inside information is restricted to the executives from the middle to the top levels. All employees are prohibited from taking the Company's document or information for personal use, or bring outside the Company. Use of inside information without permission or lead to any damage is deemed serious wrongful conduct for the equitable treatment protection of shareholders from gaining advantage by concerned. The prohibition of usage of inside information for securities trading is formally written in the Company's Code of Conduct Guideline to urge employee's awareness. This also includes prohibits the trading activity by director within 1 month prior to public announcement of the Company's operation result through the SET.

Moreover, The Company has policy that its directors and executives must disclose the information on the securities holding by themselves (including their spouses and minor children) to the Office of the Securities and Exchange Commission (the Office of the SEC) within 3 days after the change of ownership of Securities taken place and inform the Company's secretary to report the Board of Directors accordingly.

Prevention on Conflict of Interest

In general practice, decision making of the directors and executives must come out in a way to enrich the Company's ultimate benefit. In case of having conflict of interest, the directors or the executives shall submit the issue to the Board or the shareholders' meeting for their consideration on necessity to execute such transaction and potential impact on the Company if the matter is approved. At the time of voting on the issue, the person who has conflict of interest is not allowed to vote. According to the recent Securities and Exchange Act, the directors and executives of the Company have filed their and their related persons' report on their interest with the Company with an extra copy to the Chairman and Audit Committee Chairperson of the Company through the company's secretary. And such reports are required to update annually and submit to the Company. In addition, the Company also deals with related party transaction as regulated by the Capital Market Supervisory Board and also disclosed inter-transaction with its affiliates in the Company's financial statements and in the annual information disclosure form (Form 56-1). In 2014, there was connected transaction during the year as follow;

- Delta Greentech International Holding Ltd (a wholly owned subsidiary of the Company), has entered into a related party transaction by signing the sale and purchase agreement regarding disposal of investment in Delta Greentech SGP PTE Ltd. for 5,499,102 shares or 45.17% of its total issued shares with Delta International Holding Ltd., a subsidiary of Delta Electronics Inc. (DEI), a major shareholder holding approx. 21% direct and indirect in the Company at the price of USD 12.93 million (approx Baht 423 million) or 1.77% of net tangible assets (NTA) of the Company and 1.16%, based on the method of Value of Consideration received, compared with total assets of the Company's consolidated balance sheet as of 31 Dec 2013). The fair market value was based on net asset value which has adjusted the investment value of Delta Greentech (China) Co.,Ltd with the fair market value by using Income Approach appraised by an independent party on 17 Sep 2012. Fair Market Value is based on Net Asset Value (NAV), which has been adjusted with the investment value of Delta Greentech (China) Co., Ltd with the fair market value by using Income Approach appraised by an independent party on 17 Sep 2012. Fair Market Value is assessed in a range of USD 2.16 – 2.34 /share. After this transaction, the Company or its subsidiary will no longer hold any share in DG SGP.
- DET International Holding Limited (a wholly owned subsidiary of the Company), has entered into a related party transaction by signing the sale and purchase agreement regarding disposal of investment in Delta Electronics Europe Ltd (DEU) for 500,000 shares or 100% of its total issued shares with Delta International Holding Ltd., a subsidiary of Delta Electronics Inc. (DEI), a major shareholder holding approx. 21% direct and indirect in the Company at the price of USD 3,66 million (approx Baht 119 million) or 0.5% of net tangible assets (NTA) of the Company and 0.49%, based on NTA of the asset to be disposed, compared with the NTA of the Company and its subsidiaries as

of 30 June 2014. The fair market value by using Asset-Based Approach based on net book value as of 30 June 2014.

Directors of the Company was no any other different opinion from directors or Audit Committee

◉ *Role of Stakeholders*

The Company has contributed extensively to the rights of all stakeholder groups such as shareholders, customers, employees, business partners, Competitor, creditors and society in accordance with laws or agreements with the Company. The Company opened various passages to accept suggestions or complaints from all stakeholders.

The Company also has other guidelines to treat each specific stakeholder groups as follows;

Shareholders:

The Company aims to bring a long-term sustainable growth to its business, thereby enhancing the Company's value and ultimately providing favorable returns to its shareholders and paid dividend consistently at a satisfactory rate. In fact, from 2010 to 2014, dividend payout ratio averages 50% - 69% of net profits annum. In 2014, the company, Delta Electronics (Thailand) pcl (DELTA), has been added to MSCI Global Standard Indexes. This addition makes the company become known and widely accepted by investors globally. Moreover, providing an outstanding performance during the past three years, the company wins "SET Awards 2014" in the Category of "Best Company Performance" for its excellent results among listed companies with SET market capitalization of over THB50 billion. The company will manage to sustain capabilities in order to continue supplying superior return to investors.

MSCI Index (Morgan Stanley Capital International Index) is designed as a benchmark for foreign institutional investors to measure the return on investment.

Customers:

The Company has policy to its mission to provide products, services and solutions under short to long term contracts to fulfill customer's requirements. In addition, the Company has policy to produce quality product in accordance with international standards to gain customer's confidence and satisfaction.

Employees:

The Company deems human resource its greatest asset. Competitive compensation and equal career opportunities are provided on the basis of their aptitude and capability. In addition, all the employee have their rights to join any assembly or social group (G4-11). Domestic and international trainings are organized regularly to enhance their skills. The relevant policies have been determined as follows.

- ◉ The Policy of Working Safety, Health, Hygiene & Environment
- ◉ The Policy of Labor Relations
- ◉ The Policy of Employee's Remuneration
- ◉ The Policy of Human Resources Management
- ◉ The Policy of Activities Misconduct, Harassment and Unfair Treatment

(The detail of the policies above, please see the Corporate Governance policy from the Company's website: www.deltathailand.com/about_corp.php)

Business Partners:

The Company will respect the rights and treat business partner equally and fairly and perform according to the agreement or conditions as agreed.

Competitor:

The Company has a policy of promoting free competition under the fair rules which is also respected on professional basis under the rules of sound competition defined in Company's Code of Conduct which complies with Electronics Industry Code of Conduct (EICC).

Creditors:

The Company will strictly comply with the agreements and agreed conditions. In the case of non-compliance with any of the conditions, it shall inform the creditors promptly in order to jointly solve the problems by applying reasonable principles. The Company will keep conducting business with efficiency and effectiveness as to maintain the sustainable growth and financial stability for gaining creditor's confidence. During the past year, the Company and its subsidiaries have a good relationship with financial institutions in fully comply with borrowing obligation both in terms of debt repayment and other agreeable conditions.

Society and environment:

The Company is committed to conducting business according to the Company's Corporate Social Responsibility Policy. The policy shall provide guidelines for the directors, management and employees to operate our business ethically with transparency, accountability, and respect for human rights and fair treatment to all stakeholders.

As a global corporate citizen, we support international standards such as the Electronic Industry Code of Conduct (EICC), the Universal Declaration of Human Rights, the International Labor Office Tripartite Declaration of Principles and Global Reporting Initiative (GRI).

For the activities with stakeholders, please find in the section of CSR report

Whistle Blowing and Complaints

Company has policy to support and encourage employees and stakeholders to make complaints on misconduct. By the policy, they can provide clues concerning the wrongful acts including any unlawful activity, any behavior against the rules and Code of Conduct of the Company to the management or board of directors. This is to ensure the Company's transparent and efficient operations of the Company. The Company has established the following communication channels to allow all stakeholders to provide their feedback or file complaints concerning this issue.

- Communication channel for Delta employees
 - (1) Head of the unit the employee belongs to.
 - (2) Head of audit department, head of human resources department or head of legal.
 - (3) Local external opinion box.
 - (4) Email: whistleblow@deltathailand.com
- Communication channel for other stakeholders
 - (1) Opinion Box (PO Box 50, Bangpoo, Samutprakarn 10280);
 - (2) Email: whistle@deltathailand.com
 - (3) Website: www.deltathailand.com

The board's secretary will gather and submit the complaints to the executive committee or the audit committee or the board, depending on the relevance of the complaints

The details of the concerns and issue will be kept confidential in order to avoid an infringement of privacy.

Action against corruption

The company has signed on the declaration of intent in establishing Thailand's Private Sector Collective Action Coalition against Corruption. On May 2014, shown on the 314 rank of ratification sign-up is the signature of the President who represents the company in affirming intention to combat all kinds of corruptions. The company performs self-assessment and set out measures to combat corruption.

The Board of Directors Meeting No. 3/2014 held on 31 March 2014 approved the adoption of the Anti-Corruption Policy in order to rule out principles, set practice guidance, arrange communication and provide training in the area of anti-corruption to make clear to all employees. The company is open for suggestions and complains from all stakeholders. More details on practice guidance can be found from the company's website http://www.deltathailand.com/th/about_corp_anti_corruption.php.

○ Disclosure and Transparency

The Company has the policy to disclose data and information accurately, adequately and timely so as to allow stakeholders to know about operating performance, financial position, key developments and information such as financial statements, annual report and disclosure Form 56-1, in both Thai and English language. Such information is available on websites of relevant authorities such as the Stock Exchange of Thailand (SET) and the Securities Exchange Commission (SEC) as well as on the Company's website www.deltathailand.com. Interest persons may telephone or email to request for more information at info@deltathailand.com. The Company also has investor relations unit to provide information to shareholders, investors, securities analysts, and others and they can be reached at investor@deltathailand.com.

In 2014, with support from SET, the Company organized press conference quarterly to clarify its operating results to securities analysts, reporters and general investors and for those people to meet with its executives in a bid to nurture confidence of all stakeholders. In addition, meetings were also arranged by Investor Relations unit from time to time in order to provide information to both local and oversea securities analysts and investors. Since most local and foreign investment companies invests in our stocks for long term holding, the company's investor relations does offer periodical updates for investors in the region by joining conferences and events a few times each year. For investors in other regions, conference calls are normally set up upon request. In 2014, the company was awarded "Best Senior Management IR Support" from Alpha Southeast Asia Magazine. The winner of this award was based on the poll that was completed by 477 institutional investors who have an investment interest in the region including pension funds, hedge funds, equity securities and fixed income brokers, and securities analysts.

○ *Responsibilities of the Board*

Structure of the Board

The Board of Directors comprises nine directors; two of whom are executive directors and the other seven are non-executive director which three of independent directors are included, which accounts for one-third of the board. Qualifications of independent director have been set to meet the criteria ruled by the SEC. Currently, Chairman of the Board and the President are held by two individuals with clearly separated responsibilities. Roles and responsibility of the Board and management are also distinctively defined so as to ensure management transparency. (Please find details of the Board members and scope of duties in the section of Managerial Structure).

Director's Term of office

At the annual general meeting of shareholders, one-third of the directors or close to one-third must vacate from the office. A director who vacates from office by rotation is eligible for re-election. The meeting of shareholders may pass a resolution to remove any director prior to retirement by rotation by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and having shares in aggregation not less than a half of the number of shares held by shareholders attending the meeting and having the voting rights and limit the number of terms for which an individual may serve as an independent director to a maximum of three consecutive terms. The first term started from 2015 AGM onward.

At the 2014 Annual General Meeting of Shareholders, the retired directors, Mr. Ming-Cheng, Wang, Mr. Anusorn Muttaraid and Professor Lee, Ji-Ren were re-appointed.

The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-term business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, merger and acquisition, corporate spin-off, and joint venture deals.

Sub-Committee

The Board of Directors appointed sub-committees to help study, scrutinize, and to give opinion on various matters. At present, there are four sub-committees including executive committee, audit committee, compensation committee and risk management committee with details as described below.

Executive Committee

The executive committee of the Company consists of 8 members as follows;

Name	Position
1. Mr. Hsieh, Shen-Yen*	Executive Committee Chairman

2. Mr. Anusorn Muttaraid	Executive Committee Member
3. Mr. Yu, Po-Wen	Executive Committee Member
4. Mr. Vichai Saksuriya	Executive Committee Member
5. Mr. Sim, Kuik-Keong	Executive Committee Member
6. Mr. Chang Tsai-Hsing*	Executive Committee Member
7. Mr. Chung Chia Long*	Executive Committee Member

* *Being appointed by the Board of Director on 11 March 2014*

Scope of Responsibilities of Executive Committee

1. To operate and manage the business of the Company in compliance with Company's objectives, Memorandum of Association, policies, regulations, notifications, orders as well as the resolution of the board of directors and/or shareholders' meeting.
2. To establish policies, business plan, directions, strategies, budget and the main organization structure and authority of each department within the Company including the organization chart in order to propose to the board of directors for its consideration and approval as well as to monitor and follow up the result of the operation of the Company to be in accordance with the policies.
3. To be eligible to do the following transactions with banks and to report these transactions to the board of directors in the following board meeting after execution of those transactions.
 - (a) Open or close bank accounts,
 - (b) Enter into any contract which is in the Company's normal course of business and/or any other transactions with banks or other financial institution for a total combined amount of not exceeding USD 50 million or equivalent in any other currencies per bank, in case there is a need to use any assets of the Company as collateral to support the banking facilities, approval of the board of director must be obtained,
 - (c) Issue corporate guarantee to support banking facilities granted to Subsidiaries for a total amount of not exceeding USD 50 million or equivalent in any other currencies per company.
 - (d) Renew banking facilities without any limit.
4. To be eligible to approve the investment in subsidiary companies for the amount of not exceeding USD 5 million or equivalent in any other currencies per company per project and in the aggregate amount, after combining all investments, of not more than USD 20 million or equivalent in any other currencies within a calendar year. Such investment transactions are required to report to the board of directors in the following board meeting
5. To be eligible to appoint, promote, transfer or discharge directors and/or executives of the subsidiary companies.
6. To authorize any one or more persons to perform any action under the supervision of the Executive Committee, or granting the power-of-attorney to such person (s) to perform any action within the specified time as the executive committee may think fit; provided, however, that the executive committee has the sole discretion to revoke or modify such designated person or power-of-attorney as the executive committee may think fit.

For this purpose, no authorization will be enable a member of the executive committee under the power-of-attorney and/or his sub power-of-attorney to approve the transaction which may cause a conflict of interest between such attorney or any related person (as defined in the SEC Notification) as the one party and the Company or its subsidiary as the other party, unless it is granted in accordance with the Company's normal course of business as clearly identified.

7. To perform any other duties assigned by the board of directors.

Audit Committee

The audit committee of the Company consists of 3 members and all the members are independent directors. Term of office shall follow the annual director election and qualifications and responsibilities of the Committee as prescribed by the SET. List of the members of the audit committee is shown below.

Name	Position
1. Emeritus Professor Supapun Ruttanaporn *	Audit Committee Chairperson
2. Mr. Supat Limpaporn	Audit Committee member
3. Prof. Lee, Ji-Ren**	Audit Committee member

*Remark: * Being a director who is knowledgeable and experienced in reviewing Company's financial statements appointed since 2004*

*** Being a Strategy and Management professor of National Taiwan University*

Qualifications of Audit Committee:

1. All members must be independent director.
2. Not being a director who is authorized by the board of directors to make decisions relating to the operations of the company, its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person.
3. Not being a director of a parent company, subsidiary or parallel subsidiary company which is a listed company.
4. Having duties and responsibilities according to the SET's rules.
5. Having sufficient knowledge and experience to perform his/her duties as a member of the audit committee provided that at least one member of the audit committee must have sufficient knowledge and experience to review the reliability of the financial statements.
6. Being appointed by the Board or shareholders meeting.

Scope of Responsibilities of Audit Committee:

1. To review the company's financial reporting to ensure that it is accurate and the disclosure is adequate;
2. To review that the company employs appropriate and efficient internal control system and internal audit. To determine the independence of the internal audit unit as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of the internal audit;
3. To review that the company complies to the law on securities and exchange, the regulations of the SET and other laws related to the company business;

4. To consider the capability and the independence of an external auditor and propose to be appointed as the Company's auditor including the audit fee, as well as to attend a non-management meeting with the auditor at least once a year;
5. To review the Connected Transactions or the transactions that may lead to conflicts of interests, that they are complied with the SEC laws and regulations, and to ensure that they are reasonable and yield the highest benefit to the company;
6. To report the governance activities of the Audit Committee in the company annual report, which must be signed by the chairman of the Audit Committee. The report has to consist of at least the following information:
 - (a) An opinion on the accuracy, completeness and reliability of the company financial reports,
 - (b) An opinion on the adequacy of the company internal control system,
 - (c) An opinion on the compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or the laws relating to the business of the company,
 - (d) An opinion on the suitability of the external auditor,
 - (e) An opinion on the connected transactions or the transactions that may lead to conflicts of interest,
 - (f) The number of Audit Committee meetings, and the attendance of such meetings by each committee member,
 - (g) An overall opinion or comment of the Audit Committee in performing its duties as specified in the audit committee charter.
 - (h) Other transactions the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the company board of directors.
7. To do any other matters assigned by the board of directors of which the Audit Committee agrees.

Compensation Committee

The Compensation Committee consists of 3 members, 2 independent directors and 1 executive director in charge of human resources function. Term of office shall follow the annual director election. List of the members of the compensation committee is shown below.

Name	Position
1. Mr. Supat Limpaporn	Compensation Committee Chairman (Independent Director)
2. Prof. Lee, Ji-Ren *	Compensation Committee Member (Independent Director)
3. Mr. Anusorn Muttaraid	Compensation Committee Member (Human Resources & Administration Director)

Scope of Responsibilities of Compensation Committee:

1. Appraise the performances of the president and the Executives level 10 and up annually.
2. Determine the remuneration of the directors of the company and members of sub-committee, which would include monthly remuneration, meeting allowance, annual bonus and other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the board of directors and shareholders for approval.

3. Determine the remuneration policy of the Company's president and the Executives level 10 and up which would include salary, annual bonus and/or other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the board of directors for approval.
4. Review the remuneration policy of directors, committee President and the Executives level 10 and up based on their performances, the company's performances and best practice in the market and/or among the listed companies in Thailand's stock exchange.
5. Perform any other duties assigned by the board. To perform the assigned job, the compensation committee may seek advice or opinion from the relevant independent professionals as necessary and appropriate. Compensation committee may also need to attend training or seminar with the purpose to enhance knowledge and capability in performing their job at the expense of the Company.

Risk Management Committee

Risk management committee consists of 10 members as follows;

Name	Position
1. Mr. Hsieh, Shen-Yen	Risk Management Committee Chairman
2. Mr. Anusorn Muttaraid	Risk Management Committee
3. Mr. Yu, Po-Wen	Risk Management Committee
4. Mr. Vichai Saksuriya	Risk Management Committee
5. Mr. Sim, Kuik-Keong	Risk Management Committee
6. Mr. Chen, Chi-Chen	Risk Management Committee
7. Mr. Chen, Chin-Ming	Risk Management Committee
8. Mr. Basile Margaritis	Risk Management Committee
9. Mr. See Kai Mun	Risk Management Committee
10. Mr. Chung-I, Tam	Risk Management Committee

Scope of Responsibilities of the Risk Management Committee:

1. Establish risk management procedures.
2. Implement risk management, to delegate the risk management to their respective managers.
3. Develop and review strategic risk management plans
4. Quarterly and/or annually and/or any time that is necessary report to the Board or to the Audit Committee as assigned by the Board.
5. Monitor and continuously improve risk management.
6. The committee may seek advice from relevant professional consultant in some cases

Selection of Directors and Independent Directors

Since the director is one of the most important positions, the board of director, therefore, is of the opinion that the selection should be performed by itself and considered not to establish the nomination committee. The board is responsible for the search, selection and nomination of the qualified candidate to be director or member of any committee. The director selection are considered whether that person knowledgeable and experience in area such as accounting, finance, management, strategy, including skill individual and expertise in line with the Company business without restrictions on gender and race in order to have board diversity

structure and firm company. This is to achieve business objectives under management according to the principles of good corporate governance standards. Currently, the Company has provided the opportunity to the shareholder to nominate the candidates to be directors of the Company with basic qualifications set forth in the Company's Website. The board will consider and approve selecting the candidate by the majority votes of the board meeting. After selected, the board shall nominate such candidate to the shareholders' meeting for approval.

Qualifications of Director

1. A director shall have qualifications and shall not have prohibited characteristics as specified in the law on public limited companies, as well as shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in the notification of SEC.
2. Professional ethics and excellent career profile.
3. Knowledge or experience in business administration, especially in electronics, telecommunications, finance and accounting or any other areas, as the board deems appropriate.
4. Able to participating in all board's meetings and shareholders' meetings (except in case of emergency).
5. Other qualifications that the board may later consider appropriate or are required by law.

Qualifications of Independent Director

Qualifications of independent director (ID) have been defined based on the requirement of Office of Securities and Exchange Commission as follows:

1. Not holding shares exceeding 1% of the total shares with voting rights of the company, its parent company, its subsidiary, its associated company, or potential conflicting person provided that any shares held by his or her Related Person must be taken into account.
 2. Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the company, or its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person with the company except that he/she has no such characteristic for at least two years before becoming an independent director.
 3. Not being a person related by blood or by registration under laws as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person, or such other person who will be nominated to take up the position of executive or controlling person of the company or its subsidiary.
 4. Not having nor having had any business relationship with the company, its parent company, its subsidiary, its associated company or potential conflicting person as might interfere with his/her use of independent discretion, including not being nor having been a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the company, its parent company, its subsidiary, its associated company or potential conflicting person except that he/she has no such characteristic for at least two years before becoming independent director.
- Details of business relations are summarized as follows:

- 4.1 Professional advisor
 - 4.1.1 Not being an auditor for any cases
 - 4.1.2 Not being the advisors (such as legal advisor, financial advisor, appraiser or others) with value of transactions of greater than 2 million Baht per year
- 4.2 Other business relationship
 - 4.2.1 Scope of business covers normal business transaction, rental or lease of immovable property transaction, asset or service transaction, and financial assistance transaction.
 - 4.2.2 Not having business relationship with the value of transactions of 20 million Baht or more or 3% or more of its net tangible assets, whichever is lower (including transactions undertaken with the same person in 6 months).
 - 4.2.3 For existing independent director, any case deemed to be necessary and appropriate and not be a regular case, the board of directors with the unanimous resolution may except the transaction which exceeding the above value. In such case, the business transaction is required to be disclosed in the registration statement, Form 56-1, and annual report. If the independent director will be re-appointed for another term, such relationship or transaction must also be disclosed in the notice of meetings.
- 5. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, majority shareholders or shareholders who are related to the company's major shareholders.
- 6. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the company's operations.
- 7. An independent director who satisfies qualification specified in 1 to 6 above may be empowered by the board to make decision in normal business operation provided that the decision process is in form of collective decision.

Appointment of Directors

After consideration and selection of the qualified candidate, the board of directors will nominate such person to the shareholders' meeting for approval based on the Article of Association of the Company, an appointment of director is made through a majority vote of shareholders meeting. One share shall count for one vote and each shareholder shall exercise all the votes he has to appoint the nominated person or nominated persons to be director on a person-by-person basis or en bloc basis, provided that he cannot divide his vote to any person to any or in the basis extent vote for nominated persons but the votes are indivisible. The person obtaining the most votes in descending order shall be elected as directors equal to the number of directors required. In the event that persons receiving votes in respective orders receive equal votes and the number of position exceed the positions required, the chairman of the meeting shall have a casting votes.

The Orientation for New Director

The Company sets up an orientation for new director which include a briefing on the Company business on top of its operations and plant visits conducted by Management. Subsequently, summary of the Board of Director's roles and responsibilities, Listed company Director's handbook and Company's information in detail will be presented by Corporate Secretary.

Directorship in other Companies

To ensure the director's efficient performance and in compliance with Corporate Governance Principles, the board of directors requires that

1. Each director may retain the office of director in, apart from the Company, other five listed companies as a maximum except being the director of the subsidiaries.
2. President is not permitted to be the director of the other listed company except being the director of the subsidiaries. Moreover, before participating as board director of any other company must first seek approval from the board of directors.

The Company's executive directors and top management are encouraged to be the director of subsidiaries for purposes of the group's working efficiency and policy consistency.

The Board's Meeting

The Company schedules the board meeting at least four times a year or on a quarterly basis. An extraordinary meeting may be arranged when there is an issue to consider. The regular meeting date will be set in advance for the entire year. At least seven days prior to the meeting date which shall be not less than 5 days, the Company will send out invitation letter with agenda to all directors, In case of emergency, invitation letter may be less than seven days. Each director is free to propose agenda. Company secretary has duties to arrange the meeting, take care and give suggestion to ensure that the meeting is in compliance with all relevant laws and regulations, minutes of meeting will be put in writing, and those endorsed by the Board are kept as evidence at the Company's office.

Meeting Attendance of directors in 2013 as follows;

Unit : Times

Name	Board of Directors	Audit Committee	Compensation Committee	AGM
No. of total meetings held	6	6	3	1
Mr. Ng Kong Meng	6/6	n/a	n/a	1/1
Mr. Ming-Cheng Wang	6/6	n/a	n/a	1/1
Mr. Hsieh, Shen-Yen*	6/6	n/a	n/a	1/1
Mr. Hsieh, Heng-Hsien	6/6	n/a	n/a	1/1
Mr. Chu, Chih-Yuan	6/6	n/a	n/a	1/1
Mr. Anusorn Muttaraid	5/6	n/a	3/3	1/1
Emeritus Prof. Supapun Ruttanaporn	6/6	6/6	n/a	1/1
Mr. Supat Limpaporn	6/6	6/6	3/3	1/1
Prof. Lee, Ji-Ren **	3/6	3/6	0/3	1/1

* Prof. Lee, Ji-Ren had teleconference in audit committee meeting 3 meetings and compensation committee meeting 3 meeting.

The Quorum for voting

The board of directors had considered additional policy constituting the quorum at the time of vote of the board of director meeting by requiring the quorum not less than two third of the total number of directors. This included the case if the director is not able to attend the meeting in person. The conference call is allowed to constitute the quorum. However, the meeting quorum is still required to comply with the Company's Articles of Association that at the meeting of the board of directors, there shall be not less than one half of the total number of directors attending the meeting in order to constitute a quorum.

The meeting without attendance of management

The independent directors may hold a meeting without attendance of management as it sees appropriate. Normally, meeting of the Audit Committee is held without executive participation. The Company's auditor generally attends the Audit Committee meeting on a quarterly basis when reviewing financial statements. In some circumstances, the Audit Committee may request particular executive to clarify issue as it sees fit.

Board Self-assessment

The board will arrange its self assessment once a year to evaluate its overall and individual performance and also to enhance a better understanding and cooperation among all members with item follows;

Overall Board Self-Assessment

- 1) Structure and characteristics of the board
- 2) Roles and responsibilities of the board
- 3) Board meetings
- 4) The board's performance of duties
- 5) Relationship with management
- 6) Self-development of directors and executive development

Individual Board Self-Assessment

- 1) Knowledge and understanding of being a director and
- 2) Performance of director

Sub Committee Self-assessment

Audit Committee Assessment

- 1) Understanding
- 2) Work Performance
- 3) Meeting
- 4) Self development
- 5) Performance evaluation

Compensation Committee Assessment

- 1) Understand of core business objectives
- 2) Assessment of possible outcomes from decisions
- 3) Appreciation of potential risks
- 4) Quality of interaction with management
- 5) Rigor of debate
- 6) Quality of chairmanship
- 7) Members with appropriate skill and experience
- 8) Ongoing briefing and knowledge update
- 9) Structured and appropriate annual agenda
- 10) Regular, appropriately timed and well-attended meetings
- 11) Access to relevant, concise and timely information
- 12) Assumption of responsibility for content of the published compensation report

Performance Assessment of the President

The Board assigns the compensation committee to determine and propose Key Performance Indicators (KPI) of the President. The KPI must be approved by the board and be reviewed annually. Appraisal results will be submitted to the Board on a quarterly basis.

Training for the Board and Management

The Company has a policy to encourage directors, executives and the Company secretary to continuously train on good corporate governance, both organized internally or externally by relevant institutions such as the SET, the SEC and the Thai Institute of Directors Association (IOD).

In 2014, Mr.Hsieh, Shen-Yen, the President joined of the Director Accreditation Program (DAP) of Thai Institute of Directors Association

Succession plan/ Talent Pool Management

The company adopted Talent Pool Management for succession planning as it does not only offer flexibility in recruiting the suitable person but also well support dynamic business strategy rather than the traditional plan that tend to be more towards specific individual. With talent pool management, candidates can be from both internal and external. This project has continuing progress in obtaining sufficient qualified candidates.

The Board of Directors has established a Talent Pool Management Committee to select, groom, and develop the potential candidate for key positions that aligns with the company's five-year strategic and operational plans. At present, the company is now in the process of planning development the recruited potential personnel.

Supervision of Subsidiary and Associated companies

The Board of Directors has assigned the Executive Committee to supervise the operations of the subsidiary and associated companies. The Executive Committee has a certain authority to make investment in subsidiaries and associate and may assign some directors or top executives of the Company and/or appoint some local people to participate in the board of directors or management of its subsidiaries or associates in order to support the management and determine business policies and direction. After appointed, the Executive Committee will report such appointment to the Board of Directors for their acknowledgement. However, if the investment amount exceeds the granted authority, the Executive Committee is required to seek for Board's approval.

The supervision and monitoring have been further done through the implementation of ERP solutions which effectively gathers and provides important information including finance, accounting and other information, to support the management, controlling and monitoring the operations of those subsidiaries and associates. Furthermore, Treasury and Investment Section of the Company also actively participate in monitoring and supporting the sourcing of fund, capital increase and reduction by seeking approval from the Executive committee or Board of Directors. And as almost all of the companies in the group are wholly owned subsidiaries, there would be no connected transactions occurred. In case there might be some transactions with the other related companies in Delta group, those subsidiaries have been instructed that prior approval from the Company's Executive Committee or Board of Directors is required and it is also required to comply with the relevant SET or SEC's requirements.

Audit Fee

The audit fee paid for the year 2014 to its auditor is Baht 4,620,000 including all actual out of pocket expenses. (Audit fee in 2013 amounted to Baht 4,568,026 including all actual out of pocket expenses). In addition, 4 subsidiaries had paid their audit fees to the same auditing firm for a total amount of Baht 1,590,000

The Company and some of its subsidiaries hire the same international audit firm but different branch offices in various countries as all of the Company's subsidiaries are abroad. Other subsidiaries (most of which are in Europe) use the services provided by Pricewaterhouse Coopers (PWC) and the rest of them employ other audit firms to provide them with the audit services. Selection criteria of its auditor principally are based upon the service quality and charge rate of the auditor.