



# **Corporate Governance Policy**

**Delta Electronics (Thailand) Public Company Limited**

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## Contents

The Board of Directors realizes the importance of operating company business under good corporate governance and believes that good corporate governance will benefit the company, employees, shareholders and other stakeholders. The company corporate governance policy has been prepared and implemented in line with the good corporate governance principles issued by the Stock Exchange of Thailand (SET) since 2007 and has been improved the content to ensure that the policies are up-to-date and in line with international standards, laws, rules and regulations.

At the Board of Directors Meeting no.6/2018 held on October 26, 2018, the Board of Directors approved the amendment of the corporate governance policy in line with the Corporate Governance Code for Listed Companies 2017 (CG Code) by the Office of the Securities and Exchange Commission. In the Board of Directors Meeting no. 2/2021, held on March 31, 2021, the duties of the sub-committees were added. The company has implemented CG Code according to its business context and review the content at least once a year. Further details of the company's corporate governance policies can be found on the company website and internally on the Delta intranet for guideline to the directors, management and employee.

## **Our Mission**

*“To provide innovative, clean and energy-efficient solutions for a better tomorrow”*

## **Corporate Culture**

*“ Strive for change, and pursue sustainability.”*



### **Integrity**

*Honestly dedicated to achieving quality with our work, upholding the highest level of professional standards and matching our words with action.*

### **Innovation**

*Looking forward to discover future possibilities, embracing continuous learning to innovate on creative solutions and breaking through the status quo.*

### **Collaboration**

*Creating synergetic partnerships that achieve shared goals with agility and precision, putting partners, clients and users at the center of our collaborative efforts.*

### **Inclusion**

*Open to diverse perspectives, respecting of differing opinions and inclusive of various backgrounds that offer unique contributions.*

### **Empowerment**

*Achieving our own success by empowering others to realize their own goals, encouraging active and enthusiastic growth to fulfill everyone’s potential.*

## Corporate Governance Guideline

The Board of Directors agrees to apply the principles of corporate governance which can be classified into five categories as follows.

### 1. Rights of Shareholders

The company recognizes the importance of the rights of shareholders and treats all shareholders equitably according to the relevant laws and notifications issued by relevant authorities. Basic equitable rights of each shareholder are the right to buy, sell and transfer shares, the right to receive dividends, the right to access or obtain the company's information, the right to attend and vote at a shareholders' meeting or to authorize any person to attend the meeting on his/her behalf; the right to appoint directors and external auditor and the right to raise questions in the meeting including but not limited to the right to propose any other agenda of the meeting.

The company determines the procedures for convening the shareholders' meeting as follows:

#### 1.1 Determination of the Date, Time and Venue for the Shareholders' Meeting

The company generally holds an annual general meeting of shareholders once a year, within four months after each fiscal year ends, at the company's office. The meeting date will be announced to the shareholders through the SET website and the company's website ([www.deltathailand.com](http://www.deltathailand.com)).

#### 1.2 Notice of Meeting

The company will send a notice of shareholders meeting to all shareholders at least 14 days prior to the meeting date, to provide shareholders sufficient time to review the agenda. The notice of meeting will expressly indicate matters to be tabled at the meeting, for acknowledgement, approval or consideration; including the board's opinion on each matter. Other supporting information and documents will also be attached to the notice.

In addition to direct delivery, the notice of meeting is made available to shareholders through the company's website ([www.deltathailand.com](http://www.deltathailand.com)). Additionally, the notice of meeting will be published in a Thai daily newspaper at least three days in advance of the meeting date, for at least three consecutive days, as required by law.

#### 1.3 Attendance

The company has a policy to facilitate the attendance of shareholders in the annual general meeting of shareholders with the following.

- Adequate business information will be provided. This includes important information updates via the SET's and the company's website.

- All shareholders, including institutional shareholders, are always encouraged to participate and vote in the shareholders meeting for material matters that may affect their rights and interests. In addition to the meeting invitation letter, the company also makes a telephone call to remind the institutional shareholders to attend the meeting and facilitates to collect a proxy and supporting documents in case they cannot attend the meeting.
- In case the company holds the meeting at the head office in Samutprakarn, transportation from a convenient location in town to the meeting venue will be provided.
- Proxy, required documents for the meeting and the proxy delegation process will be attached with meeting invitation. Duty stamps will be available to facilitate the proxy.

#### 1.4 Board's Attendance

As the company recognizes the importance of the shareholders' meeting, it encourages the directors and the Audit Committee to join all the shareholders' meetings. It also arranges for any third parties involved with a particular matter to be tabled at the meeting, e.g. CFO and any external auditor, to attend the shareholders' meeting so that they can listen to shareholders' opinions or suggestions and also answer their questions.

#### 1.5 Right to Vote, Ask and Advise; Minutes of Meeting

Before the shareholders' meeting starts, the company will explain the quorum, voting procedure and vote count method for the meeting. During the meeting, the participants will have equal right to give opinions or ask questions within an appropriate timeframe. Moreover, the shareholders may send their questions to the company prior to the meeting date by post, fax or e-mail through the company's website or at the following address:

Delta Electronics (Thailand) Public Company Limited  
Company Secretary Office  
909 Soi 9, Moo 4, Bangpoo Industrial Estate (E.P.Z)  
Pattana 1 Road, Tambol Prakasa,  
Muangsamutprakarn, Samutprakarn 10280, Thailand  
Tel. 66 (0) 2709 2800 ext 5005, 5136  
Fax. 66 (0) 2781 9695  
Website: [www.deltathailand.com](http://www.deltathailand.com)  
E-mail: [info@deltathailand.com](mailto:info@deltathailand.com)

The board's secretary is responsible to gather, screen and submit all questions for the board to select for further clarification at the shareholders' meeting. Eligible questions must relate to the company's operations or any transactions which may materially affect the operating results.

As for the voting criteria, each share is eligible for one vote and an ordinary resolution requires a majority vote. If the votes are equal, the chairman of the meeting shall have one vote, besides the votes to which he/she is entitled as shareholder, to decide the result. To vote on a special resolution, the meeting must comply with the company's Articles of Association or

applicable laws and other relevant rules and regulations of the government agencies. At the time of voting, ballots will be used and kept for later inspection. In the meeting minutes, the company will record every resolution by expressly indicating the number of approval, objection and abstention votes for each agenda, as well as the questions, answers, opinions and suggestions raised during the meeting.

Shareholders who have any related interest to any particular agenda will have no right to vote on that matter.

## **2. Equitable Treatment of Shareholders**

In order for all shareholders to equally enjoy their basic rights, the company has a policy to encourage the equitable treatment of shareholders and offer them an opportunity to exercise the following rights:

### 2.1 Right to Appoint a Proxy to Attend and Vote Meetings

If a shareholder is unable to attend the meeting, he/she may designate any person, or any of the company's nominated independent directors, to attend and vote at the meeting on his/her behalf. The shareholder must complete and send a proxy form, enclosed with the notice of meeting or downloaded from the company's website, to the company. If the shareholder chooses to appoint the company's independent director as proxy, he/she must deliver the completed proxy form together with a certified copy of the identification card, passport or other required documents to the company before the meeting date.

### 2.2 Right to Propose Additional Agenda Items

A shareholder or shareholders who hold shares and has the right to vote in the aggregate amount of no less than 5 percent of the company's total voting right shares, may submit a written request to the Board of Directors to include proposed items into the shareholders' meeting agenda.

The Board of Directors may refuse to accept the proposal in the case that:

- 1) The proposal does not comply with specified rules in the above paragraph.
- 2) The proposal is relevant to the ordinary business operation and the information given by the shareholder does not indicate any reasonable ground to suspect any irregularity of the matter.
- 3) The proposal is beyond the company's power to enact.
- 4) The proposal was submitted to the shareholders' meeting for consideration within the previous 12 months and received supporting votes of less than 10 percent of the company's total voting rights (except for significantly changed proposals)
- 5) Any other cases as specified in the notification of the Capital Market Supervisory Board

The shareholder(s) who wishes to submit such a proposal is required to follow the procedure below:

- 1) The proposing shareholder must prepare and send a summary of the proposed agenda that indicates the reasons, details, facts and other necessary and relevant information, as outlined in the Form A set template (Form to propose AGM agenda), to the company by any method including e-mail. The essential details of the proposing shareholder as indicated in Form A must also be indicated: name, address, telephone number, the number of company shares held. Please download Form A from the company's website or send a request to the company's office or e-mail as shown above. Shareholders may send Form A together with the required documents to the company unofficially via the facsimile number 02-781-9695 (Attention: Company Secretary Office) and submit the original copy to the company within 31 December.
- 2) The proposal must specify whether the matter proposed is for acknowledgement, approval or consideration.
- 3) If the Board's meeting accepts the proposed agenda, the Board will proceed to add it to the principal agenda for the shareholders' meeting to consider and will ensure that a specific statement is made to the effect that the additional agenda has been proposed by the shareholder. If the proposal is disapproved by the Board, the company shall inform the reason for their refusal in the shareholders' meeting.

However, if the shareholders' meeting approves include the proposal by majority vote, the Board shall add the proposal to the agenda of the next shareholders' meeting.

- 4) The period for proposing additional agenda items to the annual general meeting of shareholders is between October-December each year.

### 2.3 Right to Nominate Directors

A shareholder or shareholders who hold shares and have the right to vote in the aggregate amount of no less than 5 percent of the company's total voting right shares may submit a written nomination for a candidate to be a company director by the following procedure.

- 1) The shareholder (s) wishing to nominate a candidate for director must make sure that the candidate is qualified according to the following basic criteria:
  - 1.1 Status that is not prohibited under the Public Limited Companies Act, the Securities and Exchange Act, relevant notifications of the SET and the SEC or any other relevant laws regarding characteristics and scope of operations of the company's directors.
  - 1.2 Professional ethics and excellent career profile.
  - 1.3 Knowledge or experience in business administration, especially in electronics; telecommunications, finance and accounting or any other areas, as the Board deems appropriate.
  - 1.4 Able to participate in all the Board's meetings and shareholders' meetings (except in the case of an emergency).



- 1.5 Other qualifications that the Board may later consider appropriate or are required by law.
- 2) All necessary information as indicated in the Director Nomination Form (Form B) and documents relating to the candidate's profile, including the name, surname, address and telephone number of the shareholder who exercises the nomination right, must be delivered to the company for consideration by any method including e-mail as specified above. Please download Form B from the company's website or send a request to the company's office as shown above. The required information and documents relating to the candidate's profile are listed as follows.
  - 2.1 Profile of the candidate indicating career background and personal data in the set template - Profile of Nominated Director (Form C), which is available on the company's website or at the company's office as indicated above.
  - 2.2 Certified true copy of identification card or passport and house registration
  - 2.3 Certified true copy of education certificates

The company may request for additional documents later.

- 3) Director nomination period is scheduled during October-December of each year. Prior notice of the nomination indicating the candidate's name and the required documents must be sent to the company before December 31 of each year to provide sufficient time for the Board to consider the qualifications and select a qualified candidate.
- 4) The Nomination and Compensation Committee will screen the qualifications of nominees before propose to the Board's meeting for consider and approve a selected candidate by majority votes on the basis of the following criteria:
  - 4.1 The candidate must have the basic qualifications as specified above.
  - 4.2 The candidate must have sufficient potential, in the Board's opinion, to improve the efficiency of the Board's performance.

The Board has the discretion to determine the appropriate position for the candidate.

- 5) After the candidate's qualifications are approved by the Board's resolution, the Board will propose the candidate at the shareholders' meeting for approval according to the company's Articles and Association. If the candidate is not approved by the Board, the company shall inform the shareholders through the company's website.
- 6) The Board may refuse to consider appointing the candidate if
  - 6.1 The nomination is not in compliance with specified rules
  - 6.2 The candidate is unqualified according to the basic criteria set above
  - 6.3 The documents required from the candidate are not completed and/or are submitted later than the set schedule;
  - 6.4 The candidate does not consent to his/her nomination;

6.5 The candidate holds directorship in more than 5 listed companies which may make it impossible to dedicate time to efficiently carry out duties as the company's director.

6.6 Any event that exists or occurs, as the Board may deem fit.

### 3. Role of Stakeholders

The company recognizes the rights and important role of all stakeholders, i.e. shareholders, customers, employees, business partners, competitor, creditors and society. The company's stance in regard to its stakeholders can be described as follows:

#### *Policy on Stakeholders Treatment*

- **Shareholders:**

The company aims to bring long-term sustainable growth to its business, thereby enhancing the company's value and ultimately providing favorable returns to its shareholders.

- **Customers:**

The company is committed to its mission to provide products, services and solutions, under short to long term contracts, to fulfil customer's requirements. The company has a policy to produce quality products in accordance with international standards, fairly, considering impact on health and safety. In order to gain customer's confidence and satisfaction, the company will also following up on customer satisfaction measurements to improve the quality of products and services, including keeping customer confidential information.

- **Employees:**

The company treats employees fairly, respect of human rights, competitive compensation, take care of health & safety at work, equal career opportunities are provided on the basis of aptitude and capability. Domestic and international trainings are organized regularly to enhance their skills. The relevant policies have been determined as follows.

- Working Safety, Health, Hygiene & Environment Policy
  - Labor Relations Policy
  - Employee's Remuneration Policy
  - Human Resources Management Policy
  - Misconduct, Harassment and Unfair Treatment Policy
  - HIV/AIDS Policy
- (For details of the above policies, please see the appendix)

- **Business Partners:**

The company will respect the rights of its business partners and treat them equally and fairly while performing its duties of fair procurement according to agreement or agreed conditions.

To provide business partners training, developing potential, enhancing production and service standards in line with applicable law and standards, and supervising business partners to respect human rights, social and environmental responsibilities including treat their employees, staff, and workers fairly. Finally, monitoring and evaluation partners to develop a sustainable business.

- **Competitors**

The company has a policy of promoting free competition under fair rules which are also respected on a professional basis under the rules of sound competition defined. The relevant policies have been determined as follows.

- Antitrust Law and Competition Law Policy  
(For details of the above policies, please see the appendix)

- **Creditors:**

The company will strictly comply with agreements and agreed conditions. In the case of non-compliance with any of the conditions, it shall inform creditors promptly in order to jointly solve issues with reasonable principles. The company will continue conducting business with efficiency and effectiveness to maintain sustainable growth and financial stability and thus gain creditor's confidence.

- **Society & 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 business ethically with transparency, accountability and respect for human rights and the fair treatment to all stakeholders. The company shall support activities and promote employee participation. This includes building a good relationships with the surrounding communities to promote sustainable quality social and environment.

As a global corporate citizen, the company supports international standards such as Responsible Business Alliance (RBA), the Universal Declaration of Human Rights (UDHR), the International Labor Office Tripartite Declaration of Principles and Global Reporting Initiative (GRI). The relevant policies have been determined as follows.

*Environmental Policy*

The company fully supports an environment protection program and is committed to constantly working towards the program goal as follows:

1. Strictly observe and comply with environment laws, regulations and customer requirements.
2. Produce green-label components / products and conserve the available global resources.
3. Listen and respond to constructive feedback to continuously improve the conservation of our environment.

4. Drive effective pollution reduction and waste management programs.
5. Efficiently utilize energy and resources.
6. Promote environmental conservation education and provide useful and updated information to every employee and to the public.

We always strive for the support of all activities that fosters a safe and clean environment.

### **Energy Conservation Policy**

The company applies effective energy management practices guided by the following Energy Conservation Policy in order to secure a better future for the company, the employees and our generations to come.

1. Provide necessary resources and establish an effective energy management system by setting energy conservation objectives and targets while reviewing data and continuously improving.
2. Comply with applicable energy regulations subscribed to by the company.
3. Support the purchase of energy efficient products and services.
4. Regard energy efficiency as a design factor in product and process development.
5. Communicate the company's energy policy at all levels within the organization and regularly review and updated it when necessary.

In addition, the company also has other related policies to support the transparency and fairness of the company's business which are accepted by all stakeholders as follows;

### **Anti-Corruption and Bribery Policy**

Delta Electronics (Thailand) Public Company Limited is committed to conducting business with transparency and integrity. The company has established a policy to prevent the company's directors, management and employees from acting or consenting, directly or indirectly, in any form of corruption for their own benefit or that of their family, friends, associates or acquaintances. This anti-corruption policy has been adopted to benefit stakeholders and the company's business operations by setting a clear business operation direction consistent with the company corporate governance, Code of Conduct, rules, regulations and related laws. The company is henceforth committed to integrity and fairness for sustainable development.

### **Intellectual Property and Copy Rights Policy**

The company realizes the importance of intellectual property and copyrights. Therefore, the company prohibits all employee from obtaining trade secrets or confidential information of other parties through espionage, theft, coercion, enticement or other illicit means; or in any way stealing or plagiarizing papers, works, research reports, patents, proprietary technology, design drawings or other technological findings that result in the infringement of intellectual property rights.

### **Whistle Blowing and Complaints Policy**

The company has a policy to support and encourage employees and stakeholders to make complaints regarding misconduct. Through the policy, they can provide information to the management or Board of Directors concerning wrongful acts, including any unlawful activity, or any behavior which is against the company's rules and Code of Conduct. This is to ensure the company's transparent and efficient operations.

- Communication channel for Delta employees
  - (1) Head of the employee's unit.
  - (2) Email: [HR.GRIEVANCE.SEA@deltaww.com](mailto:HR.GRIEVANCE.SEA@deltaww.com)
  - (3) Line ID: @DeltaTH
  - (4) Suggestion Box
  
- Communication channel for other stakeholders
  - (1) Email: [whistleblow@deltathailand.com](mailto:whistleblow@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 relevance

Details of the case will be kept confidential in order to avoid an infringement of privacy.

## **4. Disclosure and Transparency**

The Board of Directors has a policy to disclose important information, both financial and non-financial, regarding the company's business and operating results accurately, adequately and in a timely manner. This policy allows the stakeholders to acknowledge information regarding the company's financial and non-financial performance, future plans and other ESG-related policies e.g. corporate governance, social contribution, membership of association and environmental policy.

The Board of Directors will also be responsible for information disclosures in compliance with the related laws and regulations of relevant authorities such as the Office of the SEC, the SET and the Ministry of Commerce. The company's investor relations division was established to regularly liaise with and provide company information to shareholders, investors, and securities analysts. In addition, the public can easily access company information, including financial statements, annual reports and the information filing form (56-1), through the websites of relevant authorities e.g. the SET and the Office of the SEC, the company's bilingual website: [www.deltathailand.com](http://www.deltathailand.com) or by e-mail to the company at [info@deltathailand.com](mailto:info@deltathailand.com).

### Insider Information Policy

According to the company's policy, inside information is restricted to the executives from the middle to the top levels. All employees are prohibited from taking the company's documents or information for personal use, or to bring it outside the company. Use of inside information that is without permission or leads to any damage is deemed serious wrongful conduct in regards to the equitable treatment and protection of shareholders. The prohibition of inside information use for securities trading is formally written in the company's code of conduct guideline to ensure employee awareness. This also includes the prohibition of trading activity by a director within 1 month prior to public announcement of the company's operation result through the SET.

Additionally, the company has a policy that its directors and executives must disclose information on their personal securities holdings (including that of their spouses and minor children) to the Office of the Securities and Exchange Commission (the Office of the SEC) within 3 days after a change in ownership of securities has taken place. They must then inform the company's secretary to report to the Board of Directors accordingly.

### Conflict of Interest

Directors and executives must always take the benefit of the company into account when making any decision on the company's behalf. If there is a conflict of interest, the directors and/or the executives will submit the matter to the Board meeting or the shareholders' meeting in order to review the necessity of such a transaction and the possible negative effects on the company. When voting on such a transaction, a director who has a conflict of interest must not vote. The company has established a policy that the company directors and executives must file a report of theirs and related persons' company interests, with extra copies for the chairman and audit committee chairperson of the company. These reports are must be updated and submitted to the company annually.

### Related Party Transactions

The company and its subsidiaries must conduct transactions with related parties in the normal course of business. Additionally, support from the group's network helps strengthen the company's business, improve its competitiveness in the global market and ultimately benefits the company. However, the company has established a policy that requires the Board of Directors' consideration and approval for major inter-company transactions. This is to ensure that intercompany transactions are fair and at arm's length through the appropriate channels. The company shall comply with rules, regulations and notifications of the Capital Market Supervisory Board and other relevant authorities for related transactions and adequately disclose such transactions in the company's quarterly and annual financial statements.



## 5. Responsibilities of the Board

### 5.1 Board of Directors

#### Board Structure

The Board of Directors must consist of at least five directors, half of which must be Thai residents. One-third of the Board, not less than three directors, must be independent directors. In addition, the Board of Directors will review the structure, proportion of independent directors as well as Board diversity and director qualifications to align with the company business operations that proposed by the Nomination and Compensation Committee on a yearly basis. The qualifications of an independent director are based on those set by the Office of the SEC. The company has a policy to separate the role and responsibilities of the chairman of the board and those of the CEO. These two positions must be held by different individuals, thereby enhancing the accountability and transparency of management. Therefore, the scope of powers, duties and responsibilities of the board chairman and the CEO must be specified clearly and separately.

#### Board of Directors' Scope of Responsibilities

The Board of Directors has the duty and responsibility as the leader of the organization to supervise the organization to have good management, ethical, responsible for shareholders and other stakeholders to create value for sustainable business. It covers the development or reduction of environmental impacts and can be adjusted under various changes. The duties of the Board are as follows:

1. To supervise the directors and executives to perform their duties in the best interests of the shareholders (fiduciary duty) by observing the following four main practices:
  - 1.1 Performing its duties with responsibility and all due circumspection and caution (duty of care).
  - 1.2 Performing its duties with faithfulness and honesty (duty of loyalty).
  - 1.3 Performing its duties in compliance with laws, objectives, the company's articles of association, the resolutions of the Board of Directors and resolutions of shareholders' meetings (duty of obedience).
  - 1.4 Disclosing information to shareholders accurately, completely, and transparently with verifiability and timeliness. (duty of disclosure)
2. To determine the vision, mission, objectives and target of the company and review them every year and communication across the organization to drive the same direction.
3. To supervise and support the innovation of social and environmental responsibility including ensure that the management adheres to the company's mission "To provide innovative, clean and energy-efficient solutions for a better tomorrow" in operation.
4. To consider and approve the main plan for setting the policy, strategies, annual business plan, the budget of the company. To ensure that it is in line with the company's objectives and targets with suitable allocation of resources and the use of technology innovation.

5. To monitor and supervise the management to implement the company's strategy and follow up on operation results performed and report to the Board of Directors regularly to ensure that operations are in line with policies, plan and the budget.
6. To consider and approve the policy on corporate governance, Code of Conduct, the Anti-Corruption Policy has been written in a way that is appropriate to the operation of all levels of employees and promotes awareness by communication and follow-up.
7. To supervise and monitoring IT management, risks and the implementation of the IT security system.
8. To supervise having good internal control system that suitable and assigned the Audit Committee to monitor the internal control regularly. Assess the effectiveness and adequacy of internal control over time and reports to the Board of Directors. To communicate and encourage employees at all levels to have a sense of ethics, moral and ethical conduct on corporate governance and anti-corruption policy.
9. To specifying risk management policies, process, report and overseeing to ensure effective risk management systems together with reviewing and assessing the systems periodically and in the wake of a change in risk levels and cover all risks.
10. To supervise the company having a sufficient system to ensure that the company complies with the Securities and Exchange Act and other securities and exchange laws e.g. SEC rules and regulations and the SET regulations. This includes any law governing the company's business such as: regulations concerning the entry into connected transactions and regulations concerning the substantial acquisition of assets It also complies with the laws relating to the business of the company, the Articles of Association, resolutions of the shareholders' meeting, policies or guidelines.
11. The Board should consider its responsibilities in the context of the company's shareholder structure and relationships, which may impact the management and operation of the company.
12. Monitoring and managing any potential conflicts of interest between the company, the management, the Board of Directors, or shareholders as well as overseeing to prevent misuse of the company's assets and involve with into inappropriate transactions with related parties according to laws and other regulations.
13. To arrange for the preparation and submission of the audited balance sheet and profit/loss statement at the end of each accounting period to the shareholders' meeting for its consideration and approval.
14. To monitor the adequacy and timeliness of the company's disclosure of information. Information technology is used to disseminate information. It also regulates the management to have a unit or an investor relations officer to communicate with shareholders and other stakeholders, such as investors, analysts, to be equally appropriate.
15. To authorize any other person to perform any action on behalf of the Board of Directors under its supervision, or to grant the power-of-attorney to such a person to perform any action as the Board may think fit. The Board of Directors has the sole discretion to revoke or modify the power-of-attorney as they may think fit.



For this purpose, no authorization will enable a grantee under power-of-attorney to consider and approve a transaction which may cause a conflict of interest between himself, any related person or interested person as one party and the company as the other party, unless it is granted following approved policies and criteria previously set out by the Board of Directors.

#### Responsibilities of the Chairman of the Board

1. To be the leader to oversee, monitor, and ensure that the operations are performed by the Board of Directors, Executive Committee and sub-committee to ensure the objective and plan achievement.
2. To ensure that all directors contribute to the company's ethical culture and good corporate governance.
3. To consider the agenda of the Board of Directors, and may discuss with the executive chairman and supervise the important matters to be included in the agenda.
4. To act as the chairman of the Board of Directors' meeting and the shareholders' meeting, allocate sufficient time to carefully consider key issues and encourage directors to exercise discretion, comment freely.
5. To have a casting vote in case the Board of Directors' meeting has a tie vote
6. To promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the Board and management.
7. Perform the chairman's duty as specified by law

#### Selection of Directors and Independent Directors

The Board of Directors assigns the Nomination and Compensation Committee for the search, selection and nomination of a qualified candidate for director, CEO or member of any committee. The skill matrix of the directors is provided to ensure that the person with the knowledge and experience is appropriate. Understand and respond to stakeholders' needs such as accounting, finance, management, strategy; and possess the individual skills and expertise in line with the company's business and strategies. In order to have Board diversity and a firm company structure, there are no restrictions on gender, race or nationality for candidates. This policy is made to achieve business objectives under management that adheres to principles of good corporate governance. Currently, the company has provided the opportunity for shareholders to nominate candidates who have the basic qualifications set forth in the company's website to be its directors. The Board will consider and approve the selection of the candidate by majority vote at the Board meeting. After selection, the Board shall nominate the candidate to the shareholders' meeting for approval.

#### Criteria and Qualifications of a Director

1. Possession of the required qualifications and not engaging in prohibited conduct as specified in the law on public limited companies. A director shall not engage in inappropriate conduct concerning trust in managing a business with shares held by public shareholders as specified in the notification of SEC.
2. Professional ethics and an excellent career profile.

3. Knowledge or experience in business administration, especially in electronics, telecommunications, finance and accounting or any other areas that the Board deems appropriate.
4. Ability to participate in all Board meetings and shareholders' meetings (except in cases of emergency).
5. Other qualifications that the Board may later consider appropriate or are required by law.

#### Requirements of an Independent Director

Requirements of an independent director (ID) have been determined based on the requirements of the Office of Securities and Exchange Commission as follows:

1. Not holding shares exceeding 0.5% of the total voting rights shares of the company, its parent company, its subsidiary or its associated company. A person with a potential conflict of interest in regards to shares held by related persons.
2. Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the Company, its parent company, its subsidiary, its associated company or its parallel subsidiary company. A person with a potential conflict of interest with the company. An exception would be if he/she has not had the aforementioned status for at least two years before becoming an independent director.
3. Not a person related by blood or by legal registration as father, mother, spouse, sibling or child. This includes the spouse of an executive's child, major shareholder, controlling person, or any person who will be nominated to the position of executive or controlling person in the company or its subsidiary.
4. Not having nor having had any business relationship with the company, its parent company, its subsidiary or its associated company. A person with a potential conflict of interest which may interfere with his/her independent discretion. This includes being or having been a major shareholder, a director, or an executive over a person with a business relationship with the company, its parent company, its subsidiary, its associated company or a person with a potential conflict of interest. An exception would be if he/she has not had the aforementioned status for at least two years before becoming an independent director. Details of business relations are summarized as follows:

##### 4.1 Professional Advisor

4.1.1 Auditor for any case

4.1.2 Advisor (such as legal advisor, financial advisor, appraiser etc.) for transactions with a value 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 Having a business relationship with either a transaction value of 20 million baht or more, or 3% or more of net tangible assets. This business relationship determined by whichever amount is lower and includes transactions undertaken with the same person in 6 months.
- 4.2.3 The Board of Directors may exempt any transaction by an existing independent director which exceeds the above value via unanimous resolution if the transaction is deemed to be necessary, appropriate and an irregular case. In such a 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 a relationship or transaction must also be disclosed in the notice of meetings.
5. Not a director who is appointed as a representative to safeguard the interests of the company's directors, majority shareholders or their related shareholders.
  6. Having any other characteristics which make it impossible to express an independent opinion with regards to the company's operations.
  7. An independent director who satisfies the above specified requirements 1-6 may be empowered by the Board to make decisions in normal business operations provided that the decision process is collective.

#### The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by law, 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, 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 that they are consistent with the plan and overseeing capital expenditure, merger and acquisition, corporate spin-off and joint venture deals.

#### Appointment of Directors

After consideration and selection of a qualified candidate, the Board of Directors will nominate the person to the shareholders' meeting for approval based on the article of association of the company. Appointment of director is made through a majority vote at a shareholders meeting. One share counts as one vote and each shareholder shall exercise all available votes to appoint the nominated person or persons to be director on a person-by-person or bloc basis. Voters cannot divide votes. The nominees obtaining the most votes in descending order shall be elected as directors equal to the number of required positions. In the event that nominees receiving votes in respective order have an equal number votes and the number of nominees exceed the number of required positions, the chairman of the meeting shall have a casting vote.

### Orientation for New Directors

The company has set up an orientation for new directors which includes a briefing on the company business over its operations and plant visits conducted by management. Further, a summary of the Board of director's roles and responsibilities, the listed company director's handbook and the company's detailed information will be presented by the corporate secretary.

### Directorship in other Companies

To ensure the director's efficient performance and compliance with corporate governance principles, the Board of Directors requires that:

1. Apart from the company, each director may retain the office of director in a maximum of 4 other listed companies
2. The CEO is not permitted to be the director of another listed company except subsidiaries. Moreover, he/she must first seek approval from the Board of Directors before participating as Board director of any other company.

The company's executive directors and top management are encouraged to be the directors of subsidiaries to ensure the group's working efficiency and policy consistency.

### Term of Director's office

At the Annual General Meeting of Shareholders, one-third or close to one-third of the directors must vacate their office. A director who vacates his/her 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 through a vote of no less than three-fourths (3/4) of the number of shareholders attending who have the right to vote and hold shares in aggregate of no less than half of the shares held by voting shareholders at the meeting. The limit of terms which an individual may serve as an independent director to a maximum of three consecutive terms or 9 years.

### Board Meeting

The company requires a general Board meeting to be held at least four times a year or on a quarterly basis. Board meeting attendance should not less than 90% per year. The Board may convene an extraordinary meeting if deemed appropriate. General meetings must be tentatively set in advance with the Board's approval. The company generally sends the notice of meeting to all directors at least 7 days prior, not less than 5 days, to the meeting date. However, shorter notice is allowed in case of an emergency. The minutes of each meeting must be endorsed and kept as evidence at the company's office. The meeting attendance of each director is recorded and disclosed every year in the company's annual report and the official disclosure form (Form 56-1).

All directors are at liberty to propose any matter to be added to the meeting agenda. The Chairman of the Board has the discretion to consider and select important matters to form part of the agenda. At the meeting, an open opportunity is provided for all directors to discuss, ask questions and give suggestions on the company's operations. Executives can take director's advice on how to improve the company's operations. Top executives are generally invited to attend the Board meeting to acknowledge policy determined by the Board and to clarify past performance. If the meeting deliberates on a matter which involves a conflict of interest for a director, the concerned director must abstain from voting on the matter or leave the meeting temporarily while the matter is considered.

A secretary is appointed to the Board of Directors to help prepare the agenda, notice of meeting, meeting minutes, organize the meeting, and keep all supporting documents and records and to provide advice to ensure that Board meeting proceedings are in compliance with all relevant laws and regulations.

The monthly unaudited performance report is also available for all Board directors. If further information to support the Board meeting is required, directors may directly request it from the CEO and other top executives, including the Board secretary.

#### Quorum for Voting

The Board of Directors has considered additional policy concerning the quorum for voting at a Board of Directors meeting. The Board requires the quorum be no less than two thirds of the total number of directors. This includes cases when a director is not able to attend the meeting in person. Although a conference call is allowed to constitute the quorum, the meeting quorum is still required to comply with the company's articles of association which state 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 to constitute the quorum.

#### Meetings without management attendance

The independent directors may hold a meeting without management attendance as it sees appropriate. Normally, a 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 a particular executive to clarify issues as it sees fit and notify the CEO of the outcome of the meeting.

#### Board Self-assessment

The Board generally arranges four self-assessment forms once a year, namely; assessment of the Board, assessment of Individual directors (self-assessment) and sub-committee. The assessments forms stipulate the percentages corresponding to the level of performance achieved in each of area as detailed below.

- Over 85% = Excellent
- Over 75% = Very good
- Over 65% = Good
- Over 50% = Fair
- Below 50% = Needs improvement

#### Performance Assessment of the CEO

The Board assigns the Nomination and Compensation Committee to determine and propose the Key Performance Indicators (KPI) of the CEO. The KPI must be approved by the Board and reviewed annually. Appraisal results will be submitted to the Board on a quarterly basis.

#### Board and Management Training

The company has a policy to encourage all the directors, top executives and the company's secretary to participate in internal and external seminars or training regarding corporate governance. These include external seminars and training organized by the SET, the Office of the SEC and the Thai Institute of Directors Association (IOD).

The company will provide a briefing on basic company information for a new Board member, which includes organization structure, management profiles, business operations and the company's main products. Other information may include laws and regulations concerning the company and its business and SEC/SET regulations concerning the role and responsibilities of a director. This is to enhance an overall understanding of the company's business and ensure that the new director fully understands the scope, role & responsibilities of a director or independent director.

#### Succession Plan/ Talent Pool Management

The company conducts talent pool management to select proper personnel as successors to key positions. Talent pool management is flexible in choosing appropriate personnel to match rapid changes in the company's business strategy. The Board of Directors has assigned the Talent Pool Management Committee to qualify and develop proper talent and to act in response to the company's strategy that guides its 5 year plan. Therefore, the ongoing talent pool management purpose is to prepare the company for any vacancies in key company positions and report to the Board at least once a year.

#### Supervision of Subsidiary and Associated Companies

The Board of Directors has assigned the Executive Committee to supervise the operations of its subsidiary and associated companies. The Executive Committee has a certain degree of authority to make investments in subsidiaries and associates. It 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. The committee will support management and determine business policies, direction and strong internal control system.



After appointment, the Executive Committee will report the appointments to the Board of Directors for acknowledgement. However, if the Executive Committee is required to seek for the Board's approval if the investment amount exceeds the authorized amount.

### Company Secretary

The Board of Directors appointed the Company Secretary. The main responsibilities are: to prepare meetings, inform and advise on relevant law and regulations, take care of the Board's activities, and coordinate to ensure that the Board's resolutions are put into practice. All are to facilitate efficiency of the Board's administration in order to comply with good corporate governance principle and other responsibilities as required by law.

## **5.2 Sub Committee**

The Board of Directors has appointed six sub-committees under the Board of Directors totally 5 committees including Executive Committee, Audit Committee, Nomination and Compensation Committee, Corporate Governance Committee and Privilege Committee, under the CEO 1 committee including risk management and sustainable development committee with details as described below.

### **1) Executive Committee**

The Board of Directors has clearly defined the scope of duties and responsibilities of the executive committee and regularly monitors the performance of its duties as assigned

#### 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 and the Board of Directors and/or shareholders' meeting resolutions.
2. To establish policies, business plans, directions, strategies, budgets and the main organization structure and department authority within the company. This includes submitting an organization chart to the Board of Directors for consideration and approval and monitoring so that the result of the company's operations are in accordance with policies.
3. To be eligible to do the following transactions with banks and to report these transactions to the Board of Directors in the next Board meeting after execution.
  - (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 institutions for a total amount not exceeding USD 50 million, or its equivalent in any other currency, per bank. Approval of the Board of Directors must be obtained in cases where any assets of the company are used as collateral to support the banking facilities.

- (c) Issue corporate guarantee to support banking facilities granted to subsidiaries for a total amount not exceeding USD 50 million, or its equivalent in any other currency, per company.
  - (d) Renew banking facilities without any limit.
4. To be eligible to approve investment in subsidiary companies not exceeding USD 5 million, or its equivalent in any other currency, per company per project. Investment in the aggregate, after combining all investments, of not more than USD 20 million, or its equivalent in any other currency, within one calendar year. Such investment transactions must be reported 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 subsidiary companies.
  6. To authorize any one or more persons to perform any action under the supervision of the executive committee, or grant the power-of-attorney to such person(s) to perform any action within a specified time as the executive committee may think fit. However, the executive committee has the sole discretion to revoke or modify the designated person or power-of-attorney as they may see fit.

No authorization will enable a member of the executive committee under the power-of-attorney and/or his sub power-of-attorney to approve a transaction which would cause a conflict of interest between such power-of-attorney, or any related person (as defined in the SEC Notification), and the company or subsidiary. An exception would be an action granted in accordance with the company's normal course of business as clearly defined.
  7. To perform any other duties assigned by the Board of Directors.

## **2) Audit Committee**

The Audit Committee of the company consists of 3 members who are all independent directors. Term of office shall follow the annual director election, qualifications and responsibilities of the committee as prescribed by the SET as follows.

### Qualifications of Audit Committee (AC)

1. All members must be independent directors.
2. Not being a director who is authorized by the Board of Directors to make decisions relating to company operations, its parent company, its subsidiary, its associated company, its parallel subsidiary company or a person with a potential conflict of interest.
3. Not being a director of a parent company, its subsidiary or its listed company parallel subsidiary 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. At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of financial statements.
6. Being appointed by the Board or shareholders meeting.



### Scope of Responsibilities of the Audit Committee

Duties of the Audit Committee as recommended by the SET are as follows:

1. To review the company's financial reporting to ensure accurate and adequate disclosure;
2. To determine if the company employs an 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 determine if the company complies to laws 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 an external party to be appointed as the company's auditor with included audit fee. To attend a non-management meeting with the auditor at least once a year;
5. To review any related transactions or transactions that may lead to conflicts of interests to ensure that they comply with the SEC laws and regulations and that they are reasonable for yielding 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 compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or laws relating to the business of the company,
  - (d) An opinion on the suitability of the external auditor,
  - (e) An opinion on related transactions or transactions that may lead to conflicts of interest,
  - (f) The number of Audit Committee meetings, and meeting attendance by each committee member,
  - (g) An overall opinion or comment from the Audit Committee in performance of its duties as specified in the Audit Committee charter.
  - (h) Other transactions that the Audit Committee believes 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 conduct any other agreed upon matters assigned by the Board of Directors.

### 3) Nomination and Compensation Committee

Delta Electronics (Thailand) Public Company Limited is committed to maintaining proper, efficient and effective management that will gain trust and recognition from investors and stakeholders in the company's ability to operate with good corporate governance. The appointment of the Compensation Committee is part of good governance to assist the Board and shareholders in determining compensation for directors, committee members, CEO and President. The committee shall establish proper and transparent principles to determine compensation

The Board of Directors approved to change the Compensation Committee to the Nomination and Compensation Committee. Term of office shall follow the annual director election.

#### Membership

The Board of Directors is responsible for the appointment of members to the Nomination and Compensation Committee. This committee consists of at least 3 members, 2/3 of which shall be independent directors and one of the independent directors shall be appointed chairman of the committee. One of the company's staff shall be appointed as secretary to the committee.

#### Qualifications of Members

- 1) Being a director of the company
- 2) Being able to devote sufficient time to fulfil their roles as Nomination and Compensation Committee Member

#### Scope of Duties and Responsibilities

The committee shall have the following duties and responsibilities.

1. Appraise the performances of the CEO and President annually.
2. Determine the compensation of the directors of the company with fair and reasonable principles and submit it to the Board of Directors and shareholders for approval. This would include monthly compensation, meeting allowance, annual bonus and other benefits both financial and/or non-financial; and package structure.
3. Determine the compensation policy of the company's CEO and President with fair and reasonable principles and submit it to the Board of Directors for approval. This includes short term and long term compensation such as salary, annual bonus and/or other benefits both financial and/or non-financial; and package structure.
4. Review the compensation policy of directors, CEO and President based on their performance, the company's performance and best practice in the market and/or among the listed companies in the Stock Exchange of Thailand.

The committee shall have the following duties and responsibilities regarding nomination:

5. Define the qualifications that a Board member, sub-committee and top management must have. Aid in identifying and attracting qualified candidates for the Board of Directors' consideration.
6. Assess the structure, size and composition of the Board of Directors/sub-committee. Recommend any improvement to the Board of Directors.
7. Conduct an annual evaluation of the performance and achievements of the Board of Directors, sub-committee and individual members. Report the evaluation to the Board of Directors.
8. Assist in the establishment of a succession plan and/or talent management pool development to fill key medium to top management positions
9. Perform any other duties assigned by the Board. The Nomination and Compensation Committee may seek advice or opinions from relevant independent professionals, as deemed necessary and appropriate, to perform assigned jobs. The committee may also attend company sponsored training or seminars to enhance their knowledge and capability to perform their job.
10. Review the roles and responsibilities of the CEO and President as well as review their Key Performance Indicator (KPI) including provide an opinion as consider it expedient.
11. In the event that the committee considers that there is a case may result in cause or has caused the conflict or disputes between management and employee or labour union or there is any case which management and or labour union cannot find a solution together and it may result in submit of the employment conditions agreement whether propose by the employer representative (management) or labour union. (as the case may be). This committee has the duties and responsibilities as follows:
  - (1) Invite the management or the employees who involved or may be involved in such issue to discuss and inquiring details about such cases as well as request the related documents to review, suggest and also provide opinions as consider it expedient.
  - (2) Invite the management and the employees involved or may be involved in such issue to attend meetings to jointly discuss for find ways to prevent or resolve such conflicts or disputes, as well as to seek settlement for both parties. In order not to submit the employment conditions agreement in the above issues.

#### **4) Corporate Governance Committee**

The Board of Directors has appointed a Corporate Governance Committee to prescribe corporate governance policies that cover the entire organization and to ensure that corporate governance procedures or systems are support long-term success of the company. Composition, authority, duties and responsibilities of the Corporate Governance Committee are prescribed to ensure their efficient performance as assigned by the Board of Directors.

Scope of Responsibilities of the Corporate Governance Committee:

1. To consider and review whether the company's Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy are appropriate and adequate and to regularly update.
2. To promote and supervise Corporate Governance Policy, Code of Conduct and Anti-Corruption Policy to all executives and employees for clear understanding and actual implementation.
3. Promotes and provides advice for the company on participating in the corporate governance related assessment or rating to continuously develop and enhance the company's corporate governance standard.
4. Reviews the Corporate Governance Committee Charter regularly.
5. Responsible for other tasks assigned by the Board of Directors.

### **5) Privilege Committee**

The Board of Directors has appointed a privilege committee to supervise, promote and support the measures for requesting a tax or non-tax privilege from Thai Government, state enterprise or other connected entity. Composition, authority, duties and responsibilities of the corporate governance committee are prescribed to ensure their efficient performance as assigned by the Board of Directors.

Scope of Responsibilities of the Privilege Committee:

1. To consider, review, promote and supervise the measures for requesting a tax or non-tax privilege from Thai Government, state enterprise or other connected entity.
2. Responsible for other tasks assigned.

### **6) Risk Management and Sustainable Development Committee**

The Board of Directors has appointed a Risk Management and Sustainable Development Committee to prescribe risk management and sustainable development policies that cover the entire organization and to ensure that risk management procedures or systems are in place to appropriately mitigate impacts to the businesses of the company. Composition, authority, duties and responsibilities of the Risk Management and Sustainable Development Committee are prescribed to ensure their efficient performance as assigned by the Board of Directors as follow;

Scope of Responsibilities of the Risk Management Committee:

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

### Scope of Responsibilities of the Sustainable Development Committee:

1. The committee shall annually review the SD policy and associated frameworks, processes and practices of the company and make appropriate recommendations to the Board.
2. The committee shall ensure that the company is taking the appropriate measures to undertake and implement SD projects successfully and shall monitor the SD policy from time to time.
3. The committee will coordinate with the company for implementing programs and executing initiatives as per SD policy and shall review the performance of each SD project at least once per quarter.
4. The committee shall provide counsel and support appropriate resources and persons to promote the sustainable development strategy to the entire organization in the same direction.
5. The committee may form and delegate authority to subcommittees or working groups when appropriate.
6. The committee shall review and reassess the adequacy of its responsibilities annually and recommend any proposed changes to the Board for approval.

### The Policy and Guidelines for Determination of Director and Top Executive Compensation

The Board of Directors has assigned the Nomination and Compensation Committee to consider the policies and guidelines for determining the compensation of directors, sub-committee members, the CEO and President to ensure that the compensation is transparent, in line with the strategic plan and long-term goals of the company. The compensation for the Board of Directors and sub-committee requires approval from the shareholders' meeting. The following are some key guidelines:

#### 1. Policy and Guidelines for Director and Sub-Committee Compensation

- 1.1 Compensation package must be reasonable in order to attract and retain competent directors. Major factors to determine director compensation include:
  - Scope of work and responsibilities
  - Current market rate
  - The company's overall performance
  - Others factors specified by the Nomination and Compensation Committee or the Board
- 1.2 Chairman of the Board and chairman of sub-committees would receive higher compensation in accordance with their responsibilities.
- 1.3 Non-executive directors would receive a competitive compensation which would be higher than that of executive director. This is to attract knowledgeable and capable persons to be non-executive director or independent director.
- 1.4 Compensation may be entirely fixed or partially fixed with some variable amount such as meeting allowance or other incentives.

## 2. Policy and Guidelines for Top Executive's Compensation

- 2.1 The Nomination & Compensation Committee is assigned to determine that the compensation principle and structure for the CEO and President in accordance with policies made by the Board of Directors and in line with the company's operating result and individual performance.
- 2.2 The compensation packages must be reasonable in order to attract, retain and motivate executives to do their best at work.
- 2.3 The Nomination & Compensation Committee must define and propose Key Performance Indicators (KPI), to assess performance of the CEO and President, to the Board for approval before the end of each fiscal year.
- 2.4 Compensation including annual salary increment, bonus and other compensation (if any) of the management is to be considered by the CEO based on each individual KPI achievement.
- 2.5 Consideration to adjust compensation or annual salary will depend upon KPI achievement and other accomplishments. Determination of compensation should take into account the current market rate. Company sponsored market survey or consultancy from human resource professionals may be used for the committee's consideration.

## **Appendix**

### **Work Safety, Health, Hygiene & Environmental Policy**

Delta Electronics (Thailand) Public Company Limited strictly implements a Work Safety, Health, Hygiene and Environmental Policy in its business operations for its employees, sub-contractors, customers and visitors. The Company stresses that this policy is of equal importance to that of its other business operation targets. Each department manager is responsible to continually and efficiently implement this policy as follows:

#### **Safety**

1. Work safety must be everyone's duty and responsibility.
2. Superiors must train staff, supervise their operations and be a good example to them on safety awareness.
3. Laws and regulations on work safety, health and environment and related laws must be followed.
4. The causes of incidents and accidents that affect or cause the injury of employees must be eliminated.

#### **Health and Hygiene**

1. Employees will be protected from illness during any kind of work.
2. The health and hygiene of employees will be promoted and anything harmful of their health and hygiene will be eliminated.

#### **Environment**

1. The Company shall comply with applicable laws, regulations and international guidelines.
2. Employee protection from harm by pollution will be enhanced.
3. Work safety and the work environment will be continually improved.

The Company will consistently communicate its work safety, health, hygiene and environmental policy to its employees and to the public.



## Remuneration and Welfare Policy

Delta Electronics (Thailand) Public Company Limited places great importance on the remuneration package of its employees to ensure reasonable remuneration based on individual performance and in line with the Company's operation performance. In addition, the Company also places importance on remuneration by market benchmarking so that remuneration is fair within the organization and competitive with other companies. The Company has set the following standards:

1. Employment and Hiring shall be conducted with consideration for the necessity and appropriateness of a job. The hired employee must have the academic background, experience and ability to fit the position. He/she must also possess qualifications in accordance with the Company's rules and regulations;
2. Command line and job division: The Company shall organize a command line and job division so that a job's scope of responsibility and position are clear and suitable to the nature of the Company's business operation. The Company shall regularly review this part of its policy.
3. The Company manages remuneration, salary and wages fairly by taking into account factors such as qualifications, experience, job grade, position, responsibility and individual performance; when benchmarking with the salary rate of other companies with a similar business nature; the domestic wage rate, market conditions and demand and the Company's operation performance. In addition, the Company reviews the remuneration package in collaboration with labor unions every year.
4. Welfare: The Company has a policy to take care of its employees' health and working environment to ensure their performance and efficiency. The Company also has policy to lighten costs by providing welfare for the employees that is comparable with similar companies in the same industry or as prescribed by the laws. In addition, the welfare committee conducts monthly reviews of employee welfare.
5. Companies may consider setting up compensation schemes for management and other employees to provide long-term incentives when appropriate, such as ESOP.



## Labor Relations Policy

Delta Electronics (Thailand) Public Company Limited informs its employees about its Labor Policy as follows:

- The Company intends to develop and improve its response to social and labor issues.
- The Company always operates according to standard Thai labor laws and another related laws.
- The Company will continually improve, execute and update suitable policies.
- The Company gives employees the right to be a member of any union or association. This is included in the right to equal opportunity.

The above policies are strictly observed and announced to all employees and the public.

## Human Resource Management Policy

The Human Resource Management Policy of Delta Electronics (Thailand) Public Company Limited is as follows:

1. Development of effective human resources.
2. Development of a human resource
3. Development of human resources management information system.
4. Helpful and satisfactory welfare for employees.
5. Promotion of labor affair activities.
6. Comprehensive promotion and support of the Company's policy.

The above policies are strictly observed and announced to all employees and public

## Misconduct, Harassment and Unfair Treatment Policy

Delta Electronics (Thailand) Public Company Limited has a policy to take responsibility for and protect all of its employees. It ensures equal treatment, fairness and respect between the Company and employees and between its employees. The policy prohibits verbal, physical, mental or sexual misconduct or harassment on any occasion. The definition of each form of harassment are as follows:

- Physical: Any activity which directly or indirectly harms a person physically.
- Verbal: Any speech or conversation which offends or demeans a person.
- Mental: Any activity or speech which offends or harms a person's dignity.
- Sexual:
  - (a) A special offer, either direct or indirect, to exchange a person's working status for sexual intercourse.
  - (b) Any disciplinary misconduct or punitive measure against an employee as a consequence for denying a sexual offer.
  - (c) Evaluation, observation or touching an employee in an inappropriate manner that displays and leads to sexual interest.
  - (d) Safety operations which do not show gender awareness.

The Company's policies on hiring, offering fringe benefits, promotion, termination, or resignation are based on the performance of each employee with equal opportunity and without consideration to nationality, race, religion, sex, age, marital status, sexual orientation, disability or other factors unrelated to qualifications and working performance.

The mentioned policies are to be strictly observed and announced to all employees and the public.

## **Antitrust Law and Competition Law Policy**

Delta Electrics (Thailand) Public Company Limited (the “Company”) currently conducts global business operations and is therefore required to comply with applicable laws, rules and regulations in each county where it operates. This is all the more important when it comes to Antitrust Law and Competition Law. Violation of these laws could have significant impact on the Company and result in severe punishment, and damage to the reputation and image of the Company.

The Company’s Code of Conduct certainly states that employees at all levels should observe the provisions of the Fair Trade Law. It is the Company’s duty to draft a clear so that executives and employees can understand the objectives of such laws to prevent a monopoly and promote free and fair business operations. Policy guidelines are as follows:

- Avoid any action related to monopoly or unfair competition. These actions include practices such as price fixing among business operators and agreement on production output, geographic market segmentation and customer classification; and coercion of customers to buy or pay for any products or services;
- Avoid the abuse of a dominant position and any behavior which leads to any form of conspiracy such as discrimination towards operators or predatory pricing.
- Avoid any agreement made between two or more operators (cartel) to monopolize, reduce or limit the competition in a product market by actions like price fixing, bid rigging and collusive agreements on the market share.
- Avoid unfair trade practices including negotiation of commercial power to manipulate trade conditions to limit opportunities or alternatives in business operations of trading partners;
- Actions such as forming a merger, or making an acquisition or amalgamation must be thoroughly to assure that they may not create a market monopoly or unfair competition.
- The Company’s Legal Department must be consulted when determining whether an action could violate Antitrust Law and Competition Law.



## Revision History

8 August 2007	The first edition
10 November 2008	Revision 01
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