

# 2024 CEO Compensation



# Compensation Committee

- Delta's Compensation Committee is responsible for formulating and regularly reviewing the policies, systems, standards and structures for performance evaluation and salary remuneration of directors and managers, as well as the regular evaluation and establishment of the remuneration of directors and managers.
- Delta created the Compensation Committee to facilitate the link between the compensation of Directors and managers and the corporate operations performance to decide the ratio of dividend distribution. The Committee gives compensation policy suggestions based on industry competition, corporate operations performance, and the market rate to construct a company-level compensation policy. Delta also participates in industry and consulting companies' salary surveys and evaluates how Delta's compensation is fair with the current market.
- Regarding specific remuneration issues, Delta hires outside HR consultants for suggestions and solutions. Annual employee compensation amounts are determined after the Board of Directors agrees with the suggestions of the Shareholders Meeting and are published in the Company's annual reports. Three Compensation Committee meetings were held in 2024, with an overall attendance rate of 100%.



# Performance and Compensation of the Senior Management Team

- Delta attracts and retains exceptional talent through a competitive remuneration structure and awards employee performance by reasonably designed relevance between the Company's operating performance and employee salaries.
- The compensation for senior managers remains linked to the Company's ESG performance, which is included in the KPIs of senior managers in every region. Dynamic adjustments are implemented according to demand for talent as well as conditions of market supply and demand to ensure that general remuneration is superior to the levels in the tech industry. In 2024, Delta remained on the top 100 index for the highest salaries.
- The salary structure of senior managers is highly correlated to the Company's performance. The Company determines the managers' salary proposals in accordance with the Company's performance indicators and submits the proposals to the Remuneration Committee for review and to the Board of Directors for resolution. Starting in 2023, an employee share purchase plan shall be used as a long-term initiative for senior managers (CEO included).
- The plan is based on the Company's 2023 EPS and employees' annual performance and shall be executed in 2024. Eligible participants include business unit general managers responsible for operational performance, R&D leaders, and other key functional executives. Shares will be acquired by an external institution and held in trust for a 5-year vesting period. A clawback policy is in place to ensure that the Company's long-term performance and shareholders' interests are aligned.

# KPI and 2024 Results

## Manager performance indicators

### 20% ESG indicators\*

External Evaluation: Dow Jones Best-in-Class Indices, CDP, MSCI ESG with a weight of 10%  
Voluntary Initiatives: Achievement rate of RE100 initiatives with a weight of 10%

### 60% Company performance indicators

Annual ROE, annual net interest rate, and annual revenue achievement rate



### 20% Annual key strategic target achievement rate

Original brand manufacturer (OBM) revenue ratio, key strategic business group operation target achievement rate, and increase in productivity per capital

\* The ESG indicators apply to the Vice Chairman, CEO, and COO

- The pay structure of senior managers is highly correlated with the Company's performance. The Company determines the managers' compensation proposals in accordance with its performance indicators and submits the proposals to the Compensation Committee for review and to the Board of Directors for approval.
- In 2024, the CEO's annual KPI achievement rate is 87%.

# Annual Compensation and CEO-to-Employee Pay Ratio



- The CEO's total compensation is approximately US\$2,078,127.
- CEO-to-Employee Pay Ratio
  - The ratio of the CEO's annual compensation to the median annual compensation of US\$16,205 for all employees, excluding the CEO, is approximately 128.
  - The ratio of the CEO's annual compensation to the median annual compensation for employees in Taiwan, excluding the CEO, is approximately 44.
  - The ratio of the CEO's annual compensation to the mean annual compensation of US\$28,722 for all employees, excluding the CEO, is approximately 72.
- Starting in 2023, an employee share purchase plan has been adopted as a long-term incentive for senior managers (CEO included). The plan is based on the Company's annual EPS and employees' annual performance and shall be executed next year. Eligible participants include BU general managers responsible for operational performance, R&D leaders, and other key functional executives. Shares will be acquired by an external institution and held in trust for a 5-year vesting period. A clawback policy is in place to ensure that the Company's long-term performance and shareholders' interests are aligned.
- 21% of the CEO's short-term bonus is deferred in the form of shares or stock options

# Resolutions of the Compensation Committee Meeting

Date of Compensation Committee Meetings	Discussion Item	Resolution
February 29, 2024 The 10th of the 5th term	<ol style="list-style-type: none"> <li>1. The recommendation on 2023 Chairman's compensation of the Company</li> <li>2. The distribution of 2023 employees' and directors' compensation of the Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Passed by all members unanimously.</li> <li>2. Passed by all members unanimously.</li> </ol>
April 26, 2024 The 11th of the 5th term	<ol style="list-style-type: none"> <li>1. The recommendation on 2024 managers' compensation of the Company</li> <li>2. The recommendation on the percentage of distribution as 2024 employees' compensation of the Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Passed by all members unanimously.</li> <li>2. Passed by all members unanimously.</li> </ol>
October 29, 2024 The 1st of the 6th term	<ol style="list-style-type: none"> <li>1. The recommendation on Chairman's compensation of the Company</li> <li>2. The recommendation on 2024 directors' compensation of the Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Passed by all members unanimously.</li> <li>2. Passed by all members unanimously.</li> </ol>
February 24, 2025 The 2nd of the 6th term	<ol style="list-style-type: none"> <li>1. The recommendation on 2024 Chairman's compensation of the Company (the Chairman's compensation for the former and current Chairmen will be calculated based on their respective periods of service. The LTI for the former Chairman will also be settled, with the phantom stocks granted from 2022 to 2024 to be paid out in cash in 2025)</li> <li>2. The distribution of 2024 employees' and directors' compensation of the Company</li> <li>3. The amendments to the Company's "Articles of Incorporation" (in response to the amendment to Article 14, Paragraph 6 of the "Securities and Exchange Act" promulgated by the Financial Supervisory Commission and the FSC Directions No. 1130385442)</li> </ol>	<ol style="list-style-type: none"> <li>1. Passed by all members unanimously and was reminded to include supplementary explanations regarding the Chairman's LTI mechanism (such as items, time of issuance and other information) when preparing the 2024 annual reports.</li> <li>2. Passed by all members unanimously.</li> <li>3. Passed by all members unanimously.</li> </ol>

Source : [2024 Annual Report](#)

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