

2024 Management Ownership Requirements



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.

Management Ownership Requirements

● **BoD Corporate Governance Best Practice Principles**

Article 21:

(The preceding paragraph is omitted.)

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

● **Stock Ownership Requirements for the CEO and other members**

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.

Based on the above guidelines, after five years, the CEO and other members will have accumulated stock valued at no less than a specific multiple of their annual base salary. While the multiple for the CEO shall be greater than that of other members, this represents a strong alignment with the shareholders' interests. The stock value for them is directly proportional to their annual base salary.

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