

**Discrepancies between the Company's implementation of corporate governance and the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such discrepancies, if any**

**1. Corporate governance and code of ethics**

Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
1. Has the Company set up and disclosed its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies?	√		The Board of Directors of the Company has approved the establishment of the Corporate Governance Best Practice Principles, which has been disclosed on the Company's official website (www.deltaww.com) and MOPS.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
2. The Company's shareholding structure and shareholders' rights				Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
(1) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations and has implemented the procedures?	√		The Board of Directors of the Company has approved the establishment of the Corporate Governance Best Practice Principles. In addition, the Company has designated personnel as spokesman and acting spokesman, investor services unit, investor relations unit, and their contact information have been disclosed on the Company's official website, so the shareholders can express their opinions by phone or email. The Company will then process them according to relevant procedures.	
(2) Does the Company have knowledge of its major shareholders and the beneficial owners of those shareholders?	√		The Company acquire the knowledge of its major shareholders through the registers of shareholders on the end of its book closure date and the monthly report of changes in the number of shares held at the last day of the previous month by shareholders who hold more than 10% of the total outstanding shares of the Company. There is no major shareholder that actually controls the Company. The list of the Company's top 10 shareholders is disclosed in the annual report and on the Company's official website (www.deltaww.com).	
(3) Has the Company established and implemented risk management and firewall system between itself and the affiliated companies?	√		The Company has established the Operating Procedures of Acquisition or Disposal of Assets; the Operating Procedures of Fund Lending; and the Operating Procedures of Endorsement and Guarantee by resolutions of its shareholders' meetings, and has also has established the Related Party Transaction Management Procedures and the Supervisor and Management in Subsidiaries, etc. in order to build relevant risk controls and firewall mechanisms.	
(4) Has the Company established internal rules against company insiders trading with undisclosed information?	√		The Board of Directors of the Company has approved the Ethical Corporate Management Best Practice Principles, the Code of Conduct, and the Procedures for Handling Material Inside Information that require the Company's personnel to recuse themselves from conflicts of interest related to their	

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	Yes	No	Summary	
			<p>duties and prohibit them from using or leaking undisclosed information in order to prevent insider trading. As stipulated in its Corporate Governance Best Practice Principles, the Company prohibits any insider having been informed of the Company's financial position and performance through the financial statements from trading their own shares within the trading window closure period, i.e., 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements.</p> <p>The Company holds related training courses for current directors, officers and employees at least once a year, and new employees are required to attend relevant training conducted by the HR department during the orientation. The training courses has included a reminder for insiders of the Company who have been informed of the financial position and performance of the financial statements not to trade their own shares within the trading window closure period, i.e., 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements. The Company has uploaded the online courses onto its internal system. For the year 2022, advocacy courses were conducted for its current directors, officers and employees during the period from January 1 to December 31 2022. All Delta members can take the online courses at any time and return for the annual training without any specific start date. In 2022, a total of 82,007 people completed the training worldwide, with a completion rate of 97% and a total of 10,934 hours covering insider trading prevention and the Procedures for Handling Material Inside Information, etc.</p>	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors of the Company established a diversity policy with specific management goals and has adequately implemented it?</p>	√		<p>The Board of Directors of the Company has established the Corporate Governance Best Practice Principles, and the Directors Elections Regulations have been approved by resolution of its shareholders' meeting. According to Paragraph 3, Article 20 of the Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into consideration, such as having different professional backgrounds, working fields or genders, etc. Meanwhile, the Directors shall have the knowledge, skills, and experience necessary to perform their duties. According to Article 3 of the Directors</p>	<p>Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies</p>

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	Yes	No	Summary	
			<p>Elections Regulations, when selecting the Company's directors, the overall composition of the Board of Directors should be taken into consideration. The members of the Board of Directors must generally possess the knowledge, skills, and qualities needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership, and decision-making ability, etc. The number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be less than half of the total number of directors. The Company will propose to the Annual General Shareholders' Meeting the approval of the amendments to its Directors Elections Regulations in 2023 to take into consideration the diversity of the composition of the Board of Directors, such as having different genders, ages, races, nationalities, cultures, professional backgrounds and working fields, etc. for nominating and selecting the Company's directors. Regarding the diversity policy of the Board of Directors, specific management targets and implementation, please refer to the Note 1.</p>	
(2) Has the Company voluntarily established other functional committees in addition to the Compensation Committee and the Audit Committee?	√		<p>The Company has set up the Strategic Steering Committee for analyzing and discussing major issues related to Company strategies, operations, organization, and providing advice and suggestions to the Board of Directors as references for decision-making and implementing. The Company also formed the Delta ESG Committee, please refer to the Sustainable Development Best Practice Principles for TWSE/ TPEX Listed Companies in the annual report for its functions. In 2020, the Company also established the Delta Group Risk Management Policy, and the Company will consider setting up the Risk Management Committee in 2023.</p>	
(3) Has the Company established a standard to evaluate the performance of the Board, implemented such evaluation annually, submitted the performance evaluation results to the Board of Directors and used them as a reference when determining the remuneration of individual directors and nominations for election?	√		<p>The Board of Directors of the Company has established the Rules of Performance Evaluation of the Board of Directors, which stipulate that the internal evaluation of the performance of the Board, individual Board members, the Audit Committee, and the Compensation Committee shall be conducted at least once a year. Besides, an external performance evaluation of the Board shall be conducted by external independent professional institutions or a panel of external experts and scholars at least once every three years. The Company submits the report containing the criteria for evaluating and scoring, record and submit the evaluation results to the Board of Directors, and use the</p>	

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(4) Does the Company regularly evaluate the independence of the CPAs?	√		<p>results as reference for determining the individual directors' compensation and nomination for the following terms.</p> <p>For the results of the latest evaluation (implemented in 2023 with the evaluation period from January 1, 2022, to December 31, 2022), please refer to the "7. Implementation of evaluation of the Board of Directors".</p> <p>The finance department of the Company has evaluated the CPAs' independence in 2022 and obtained the declaration of independence issued by the CPAs, and the evaluation result was submitted to the Audit Committee and the Board of Directors on February 24, 2022. Please see the criteria for CPA independence evaluation as detailed in Note 2-1.</p> <p>The Board of Directors of the Company has approved the Corporate Governance Best Practice Principles in 2023, and requires that regular (at least once a year) evaluations on the independence and competency of the CPA engaged by the Company be conducted after consulting the Audit Quality Indicators. Meanwhile, the conclusion shall be submitted to the Audit Committee and the Board of Directors for approval.</p> <p>The finance department of the Company consulted the Audit Quality Indicators to evaluate its external auditors' independence and competency in 2023 and its conclusion was that the CPAs met the Company's independence and competency standards and were therefore qualified to be engaged the Company. Besides, the Company also obtained the declaration of independence issued by the CPAs. The evaluation results were submitted to, and approved by, the Audit Committee and the Board of Directors on February 24, 2022. The criteria for CPA independence and list of major items for competency evaluation are detailed in Note 2-2.</p>	
4. Has the Company appointed an appropriate number of competent corporate governance personnel and the Chief Corporate Governance Officer responsible for corporate governance affairs (including but not limited to providing information for directors and supervisors to discharge their duties, assisting directors and supervisors in compliance, handling work related to meetings of the Board of Directors and shareholders' meetings, and producing the minutes of Board meetings and shareholders' meetings)?	√		<p>The Company appointed the director of its finance department to concurrently serve as the Chief Corporate Governance Officer. The Chief Corporate Governance Officer has served in a managerial position that handled stock affairs and corporate governance matters in a public company for over 3 years.</p> <p>The Chief Corporate Governance Officer and the Investor Services unit are responsible for dealing with the following matters:</p> <ol style="list-style-type: none"> <li>1. Handling matters relating to Board meetings and shareholders Meeting;</li> <li>2. Producing minutes of Board meetings and shareholders meetings;</li> <li>3. Assisting in on boarding and continuous development of directors;</li> </ol>	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies

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	Yes	No	Summary	
			<p>4. Furnishing information required for business execution by directors;</p> <p>5. Assisting directors with legal compliance; and</p> <p>6. Reporting the results of whether the qualifications of independent directors comply with relevant laws and regulations when nominating and electing directors and during their term of office.</p> <p>7. Conducting matters related to changes of directors.</p> <p>8. Other matters described or established in the articles of incorporation or contract.</p> <p>The Company's Chief Corporate Governance Officer has performed the assigned tasks and participated 12 hours of training in 2022, and the detail of her training sessions are shown in Note 3.</p>	
5. Has the Company established communication channels, created a dedicated section on its corporate website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.), and appropriately handled all of the CSR issues they care about?	√		<p>Delta values communication with stakeholders. We regularly implement the procedure of materiality analysis, confirms and adjusts key sustainable issues, demonstrates ESG influence and responds to stakeholder expectations and suggestions. Delta has defined 6 major stakeholders including employees, customers, suppliers, investors and shareholders, media, and communities. Delta adopts diverse channels (e.g. annual ESG report, online questionnaire and <a href="mailto:csr@deltaww.com">csr@deltaww.com</a>, an E-mail address managed by dedicated personnel, etc.) and sets up a dedicated webpage of ESG (<a href="https://esg.deltaww.com">https://esg.deltaww.com</a>) to communicate with its stakeholders and also identify key issues of concern to stakeholders through stakeholder survey on sustainability issues and take the necessary actions to enhance the content of our information disclosures. The results of communication with stakeholders for the fiscal year of 2022 were reported to the Board of Directors on February 22, 2023. For stakeholder concerns and communication, please also refer to Chapter 3 Stakeholder Communication in the ESG Report.</p>	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
6. Has the Company engaged a professional shareholder service agency to deal with shareholder affairs?	√		The Company has engaged CTBC Bank Co., Ltd. to deal with shareholder affairs.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies
7. Information Disclosure (1) Does the Company establish a corporate website to disclose both financial standings and the status of corporate governance?	√		The Company has built a public website ( <a href="http://www.deltaww.com">www.deltaww.com</a> ) to disclose both financial standings and the status of corporate governance regularly.	Compliant with the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies

Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences, etc.)?	√		The Company has built an English website (www.deltaww.com). The Corp. Communication, Investor Services and Investor Relations are responsible for collecting and disclosing relevant information in the section of "Investors" in accordance with relevant rules. Meanwhile, the Company created a spokesman system, which is responsible for public communication. The entire process of the investors' conferences of the Company is streamed live, and relevant information and audio/video files are disclosed on the Company's website.	
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2 and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	√		The Company announces and reports the annual financial statements within two months after the end of each fiscal year. Meanwhile, it announces and reports its Q1, Q2 and Q3 financial statements as well as monthly operation results before the prescribed deadlines required by the laws and regulations.	
8. Is there any other information to facilitate a better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, training records of directors and supervisors, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies and the purchase of insurance for directors and supervisors, etc.)?	√		<ol style="list-style-type: none"> <li>Regarding information on employee rights and interests and employee care, please refer to Chapter 4 "ESG" and 6.5 "Labor Relations" in Chapter 6 "Overview of Business Operations" in the annual report.</li> <li>Regarding information on investor relations, supplier relations and rights of stakeholders, please refer to Chapter 4 "ESG" in the annual report.</li> <li>Regarding training records of directors, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies and the purchase of liability insurance for directors and supervisors, please refer to the supplementary information below. Please also refer to 8.6 "Risks during the most recent fiscal year and as they stood on the printing date of the annual report" in Chapter 8 "Review and Analysis of Financial Position and Financial Performance, and Risks Assessment" in the annual report for the implementation of risk management policies and risk evaluation measures.</li> </ol>	Compliant with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
9. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Stock Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved.  The Company ranked among top 5% in the 9th term (2022) of Corporate Governance Evaluation, and explanation for items that didn't receive points are listed below:  (1) The Company will consider setting up a risk management committee and merge with Audit Committee to form the Risk and Audit Committee in 2023, and its composition, responsibilities and operations will be stipulated in the Delta Risk Management Policy.  (2) The Company will continue to assess and consider feasible solutions to improve upon the items that did not receive points.				

Evaluation Items	Implementation Status			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
10. If the Company has established Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, please describe the actual implementation and deviations from the company's principles: The Company has established the Corporate Governance Best Practice Principles in accordance with the Corporate Governance best Practice Principles for TWSE/TPEX Listed Companies and the principles were approved by the Board of Directors for the implementation of corporate governance and the further pursuit of maximization of shareholders' equity and the Company's sustainable operations. For corporate governance, please refer to the "Corporate Governance Report" section in the annual report. The actual implementation is not significantly different from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.				

Note 1: Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of the Directors:

**Policy:** The Board of Directors of the Company has approved the enactment of the Corporate Governance Best Practice Principles, and the Directors Elections Regulations have been approved through its shareholders' meeting. According to the Paragraph 3, Article 20 of the Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be diverse, such as having different professional backgrounds, working fields or genders, etc., and the board members shall have the knowledge, skills, and competence necessary to perform their duties. According to Article 3 of the Directors Elections Regulations, when selecting the Company's directors, the overall composition of the Board of Directors should be taken into consideration. The members of the Board of Directors must generally possess the knowledge, skills, and competence needed to perform their duties, including business judgment, accounting and financial analysis ability, administrative management ability, crisis management ability, industry knowledge, international market perspective, leadership, and decision-making ability.

**Goal:** In order to allow its highest governance body to enhance their comprehensive knowledge on economic, environmental and social issues and keep on improving the ability of risk management of its Board of Directors, the Company aims to organize at least 6 hours of directors' training sessions each year and invite internal or external lecturers to give lectures. The Company also actively cooperate with the Financial Supervisory Commission R.O.C. to promote Corporate Governance 3.0 - Sustainable Development Roadmap. In 2022, the Company added two female directors (including independent directors) with accounting expertise and abilities. Besides, the Company will propose to the Annual General Shareholders' Meeting for approval of the amendments to its Directors Elections Regulations in 2023 to take diversity of the composition of the Board of Directors, such as having different genders, ages, races, nationalities, cultures, professional backgrounds, and working fields, etc., into consideration when nominating and selecting the Company's directors.

**Achievement:** In 2022, the Company invited the directors to participate in the internal directors' training sessions on "Latest developments and revision trends of international taxation and domestic taxation" and "Net-zero emissions, carbon neutrality and corporate compliance". In 2022, two additional female directors were elected, so the Board of Directors are now made up of 12 directors. The percentage of the non-employee directors was 58% (60% in 2021), the percentage of independent directors was 42% (40% in 2021), and the percentage of the female directors (including independent directors) was 25 % (10% in 2021), with 25% of the directors at the age between 50-59 years old (20% in 2021), 42% at the age between 60-69 years old (40% in 2021), 25% at the age between 70-79 years old(30% in 2021), and 8% at the age between 80-89 years old (10% in 2021). The Company's newly elected directors have brand management and marketing communications expertise, and its newly elected independent director has expertise in the fields of accounting, finance, business management and corporate governance, etc.



Diversity of the Board of Directors' members has been implemented as shown below.

Diversity Items Name	Title	Gender	Nationality	Age	Employee	Years as an independent director	Professional Background	GICS Industry Work Experience (Note)
Yancey Hai	Chairman	Male	TW / US	70~79 years	N	0	International Business Management	Y
Mark Ko	Vice-Chairman	Male	TW	60~69 years	Y	0	Control Engineering	Y
Bruce CH Cheng	Director	Male	TW	80~89 years	N	0	Electrical Engineering	Y
Ping Cheng	Director	Male	TW	60~69 years	Y	0	Business Management	Y
Simon Chang	Director	Male	TW	60~69 years	Y	0	Business Management and Electrical Engineering	Y
Victor Cheng	Director	Male	TW	50~59 years	Y	0	Electrical Engineering	Y
Shan-Shan Guo	Director	Female	TW	50~59 years	Y	0	Brand Management and Marketing Communication	Y
Ji-Ren Lee	Independent Director	Male	TW	60~69 years	N	7	Business Management and Industrial Engineering	Y
Shyue-Ching Lu	Independent Director	Male	TW	70~79 years	N	2	Electrical Engineering and communication	N
Jack J.T. Huang	Independent Director	Male	TW	70~79 years	N	2	Law	Y
Rose Tsou	Independent Director	Female	TW	50~59 years	N	2	Business Management and Mass Communication	N
Audrey Tseng	Independent Director	Female	TW	60~69 years	N	1	Accounting, Finance, Business Management and Corporate Governance	N

Diversity Items Name	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Leadership	Ability to make decisions
Yancey Hai	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Mark Ko	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Bruce CH Cheng	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Ping Cheng	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Simon Chang	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Victor Cheng	Excellent	Good	Excellent	Excellent	Excellent	Excellent	Excellent	Excellent
Shan-Shan Guo	Excellent	Good	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Ji-Ren Lee	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Shyue-Ching Lu	Excellent	Good	Excellent	Excellent	Good	Good	Excellent	Excellent
Jack J.T. Huang	Excellent	Good	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Rose Tsou	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent
Audrey Tseng	Excellent	Excellent	Excellent	Excellent	Good	Excellent	Excellent	Excellent

(2) Independence of the Board of Directors:

**Policy:** The Directors Election Regulations have been approved by resolution of the shareholders' meeting of the Company in accordance with Article 192-1 of the Company Act on the candidate nomination system for electing directors (including independent directors) in. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates, and the number of directors having a spousal relationship or family relationship within the second degree of kinship with any other director shall be fewer than half of the total number of directors. In addition, the Rules and Procedures of the Meeting of Board of Directors have been approved by the Board of Directors of the Company to require any director or a juristic person represented by a director who is an interested party with respect to any agenda item shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director must not participate in discussion or voting on that agenda item shall enter recusal during discussion and voting on that item, and shall not act as another director's proxy to exercise voting rights on that matter.

**Goal:** To enhance the effectiveness of the Board of Directors so as to implement an effective board governance system, the Company has established the Audit Committee and the Compensation Committee, composed of all independent directors. Through



professional division of duties and an independent and impartial position, the committees assist the Board in decision-making, with the goal of enhancing oversight and management functions and promoting sound corporate governance. In 2022, an additional independent director was elected in compliance with the relevant regulations promulgated by the Financial Supervisory Commission R.O.C.

Achievement: The Company adopted the candidate nomination system in its 2022 election of directors. 58% (7) of the directors were non-employees (60% in 2021), and 42% (5) of the directors were independent directors, (40% in 2021). 25% (3) of the directors had family relationship within the second degree of kinship representing (30% in 2021), and there was no any family relationship within the second degree of kinship between independent directors or independent directors and directors, which was in compliance with Paragraphs 3 and 4, Article 26-1 of the Securities and Exchange Act. None of the independent directors had any circumstances defined in Article 30 of the Company Act, and all of them met the relevant regulatory requirements promulgated by the Financial Supervisory Commission R.O.C. Regarding the conflicted directors' recusals from agenda items, please refer to the section of "Implementation of Corporate Governance" in the third chapter of "Corporate Governance Report" in this annual report.

Note 2-1: Items for assessment of the CPA's independence for the year 2022 are shown below.

Evaluation Items	Evaluation Result	Compliant with Independence?
1. Does the CPA have a direct or significant indirect relation with the Company in financial interests?	No	Yes
2. Does the CPA have any financing or guarantee with the Company or its directors?	No	Yes
3. Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4. Does the CPA or any member of the audit team serve as the Company's director, supervisor, managerial officer or a key position with significant influence on the auditing process during the audit period?	No	Yes
5. Does the CPA provide non-audit service which could directly impact the auditing process for the Company?	No	Yes
6. Does the CPA act as a broker for the shares or other securities issued by the Company?	No	Yes
7. Does the CPA act as the company's defense attorney or represent the Company to negotiate with any third party over any dispute?	No	Yes
8. Does the CPA have kinship with the Company's directors, supervisors, managerial officers or any post with significantly influence on the auditing work?	No	Yes

Note 2-2: Items for evaluation of the CPA's independence and competency for the year 2023 are shown below.

Evaluation Items	Evaluation Result	Compliant with competency and Independence?
<b>Scope A: Profession</b>		
1. Do the senior auditors have sufficient audit experience to carry out the audit work?	Yes	Yes
2. Do the CPA and the senior auditors receive sufficient training every year to continuously acquire professional knowledge and skills?	Yes	Yes
3. Does the firm maintain enough senior human resources?	Yes	Yes
4. Does the firm have enough professionals to support the audit team?	Yes	Yes
<b>Scope B: Quality Control</b>		
1. Is the CPA's workload too heavy?	No	Yes
2. Is the input of audit team members in each audit stage appropriate?	Yes	Yes
3. Does the EQCR CPA devote enough time to review audit cases?	Yes	Yes
4. Does the firm have sufficient manpower on quality control to support the audit team?	Yes	Yes
<b>Scope C: Independence</b>		
1. Does the CPA have a direct or significant indirect relation with the Company in financial interests?	No	Yes
2. Does the CPA have any financing or guarantee with the Company or its directors?	No	Yes
3. Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
4. Does the CPA or members of the audit team serve as the Company's director, supervisor, managerial officer or occupied a key position with significant influence on the auditing process during the audit period?	No	Yes
5. Does the CPA provide non-audit service which could impact the auditing process for the Company?	No	Yes

Evaluation Items	Evaluation Result	Compliant with competency and Independence?
6. Does the CPA act as a broker for the shares or other securities issued by the Company?	No	Yes
7. Does the CPA act as the company's defense attorney or represent the Company to negotiate with any third party over any dispute?	No	Yes
8. Does the CPA have kinship with the Company's directors, supervisors, managerial officers or any post with significantly influences on the auditing work?	No	Yes
Scope D: Monitor		
1. Are the accounting firm's quality control and audit cases implemented in accordance with relevant laws and regulations?	Yes	Yes
Scope E: Creativity		
1. In order to improve audit efficiency and ensure audit quality, does the accounting firm have innovation capabilities, specific plans and active implementation?	Yes	Yes

Note 3: Training sessions attended by the Chief Corporate Governance Officer in 2022 are shown below:

Institution of Training	Name of the Training Session	Period of Training		Hours of Training
		Start	End	
Accounting Research and Development Foundation	Discussion on How Independent Directors Properly Exercise Their Powers from the Securities and Exchange Act- Also Talk about Audit Committee	2022/06/20	2022/06/20	3
Accounting Research and Development Foundation	Analysis of common deficiencies in "financial report review" and important internal control rules	2022/09/12	2022/09/12	6
Accounting Research and Development Foundation	Analysis of the concept of "Climate-Related Information Disclosure" of ISSB S2	2022/10/18	2022/10/18	3

## 2. Continuing education/training of directors

Title	Name	Date of training	Name of the training session	Hours of training
Chairman	Yancey Hai	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Vice-Chairman	Mark Ko	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Bruce CH Cheng	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Ping Cheng	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Simon Chang	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
Director	Victor Cheng	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	2022 insider trading prevention advocacy seminar	3.0

Title	Name	Date of training	Name of the training session	Hours of training
Director	Shan-Shan Guo	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/11/03	Fubon Insurance ESG Trends and Risk Management Seminar	3.0
		2022/11/16	Basis for the preparation and disclosure of ESG reports - highlights of IFRS ISSB S1 and S2 standards	3.0
Independent Director	Ji-Ren Le	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/06/01	Corporate governance and securities regulations	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/08/04	What's new in tax and securities laws	1.50
Independent Director	Shyue-Ching Lu	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/08/03	Investigation Bureau - corporate anti-corruption thinking, experience and case sharing	3.0
		2022/10/07	Risks and opportunities of climate change and net-zero emission policies for business operations	3.0
Independent Director	Jack J. T. Huang	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/08/09	How to deal with the U.S.-China trade and geopolitical conflict	3.0
Independent Director	Rose Tsou	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/06/24	Audit Committee advanced practice sharing - towards 3.0 (best practices for Audit Committee Convenors)	3.0
		2022/09/29	Reference guidelines for the regulations governing the exercise of powers of Independent Directors and Audit Committee and seminar for directors and supervisors seminar	3.0
Independent Director	Audrey Tseng	2022/02/24	The latest developments and revision trends of international taxation and domestic taxation	3.0
		2022/03/23	Corporate governance and securities regulations	3.0
		2022/07/20	Corporate sustainability governance from a risk perspective - from corporate governance to ESG	3.0
		2022/07/28	The net-zero emissions, carbon neutrality and corporate compliance	3.0
		2022/10/31	ESG industry trends and opportunities	3.0
		2022/10/31	ESG trend and impact	3.0
		2022/11/10	How companies can effectively protect their brand value from trademark cases	3.0

### 3. Continuing education/training of management

Vice-Chairman Mark Ko, Director Ping Cheng, Director Simon Chang, and Chief Corporate Governance Officer, Shalin Chen are the managers of the Company. The training courses related to corporate governance that the managers attended are disclosed in the table above, titled “Continuing education/training of directors” and

“Training sessions attended by the Chief Corporate Governance Officers in 2022”.

The training sessions attended by the Company’s Chief Finance Officer and Principal Accounting Officer are listed below:

Title	Name	Date of training	Name of training session	Hour of training
Corporate CFO	Beau Yu	2022/01/24	Relevant legal responsibilities and case analysis of "competition for management rights" in companies	3.0
		2022/03/09	Relevant regulations and common deficiencies in the preparation of corporate financial reports	3.0
		2022/04/07	Case analysis of false financial reports and how to see key information in financial reports	3.0
		2022/05/19	How to analyze the key financial information of enterprises and strengthen the ability of crisis early warning	6.0
		2022/07/25	Analysis of the latest annual IFRS Q&A	3.0

The training sessions attended by the Chief Auditor are listed below:

Title	Name	Date of training	Name of training session	Hour of training
Chief Auditor	Louis Lin	2022/10/21	Common deficiencies in internal audit and internal control of Taiwanese subsidiaries and case analysis	6.0
		2022/12/07	How to use digital technology to explore and improve operating procedures and fraud detection - discussion on audit practice	6.0

4. The implementation status of risk management policy and risk assessment

The Company always adopts preventive measures for enterprise risk management in the aspects of building rigid internal control system along with regular and irregular internal audits. In addition, there are various functional committees and crisis management teams to handle risk management. The Board of Directors of the Company approved the establishment of the Delta Group Risk Management Policy on July 29, 2020. Regarding the implementation status, please refer to Chapter 8.6 for risks during the most recent fiscal year and as they stood on the printing date of the annual report.

5. The implementation status of consumer protection or customer policy

Per a policy of Customer First, it is implemented according to the Consumer Protection Act and internal rules. Delta adopts the following steps when developing products so as to ensure product quality and protect consumer rights. Meanwhile, the company has created a section of “Product/services” on its official website to protect consumer rights.:

- (1) Through Delta's quality management department, we ensure the incoming product inspection, and conduct functional testing and burn-in before the product leaves the factory to ensure the quality of the product.
- (2) To obtain certification of product safety regulations through qualified third-party laboratory testing.
- (3) When product quality problems occur at the customer's end, carry out return and repair according to RMA process to protect consumer rights.
- (4) Protect customer information from disclosure, sign NDAs during the development process, and control photographic equipment on production lines to protect customer rights.

6. Liability insurance purchased for directors and supervisors of the Company

Since January 1, 2005, the Company has been providing all directors and supervisors with liability insurance. The summary of the liability insurance policies purchased in 2022 are listed below:

Insured Individuals	Insurance Company	Insured amount	Insured Period
Directors, Supervisors and Managers	(1) Chubb Insurance Company of North America, Taiwan Branch (2) Fubon Insurance Co., Ltd., (3) Shinkong Insurance Co., Ltd. (4) Mingtai Fire & Marine Insurance Co., Ltd (5) Cathay Century Insurance Co., Ltd.	US\$25,000,000	From: July 1, 2022 To: December 31, 2023

Note: The original liability insurance policies of directors and supervisors expired on June 30 2022. (The insurance period was from January 1 2021 to June 30 2022) The new insurance policy period was from July 1 2022 to December 31 2023 and the insured amount increased from US\$20 million to US\$25 million.

## 7. Implementation of evaluation of the Board of Directors

Implementation of evaluation of the Board of Directors	
Evaluation Cycles	The Company shall conduct an internal board performance evaluation at least once a year and one by an external independent professional institution or a panel of external experts and scholars at least once every three years.
Evaluation Periods	Internal board performance evaluation: From January 1, 2022 to December 31, 2022. External board performance evaluation: From January 1, 2022 to December 31, 2022.
Evaluation Scopes	The scope of the internal evaluation includes the board as a whole, individual directors, the audit committee and the compensation committee. The scope of the evaluation by an external independent professional institution includes the board as a whole (exclusive of functional committees, such as the audit committee and the compensation committee).
Evaluation Methods	Internal evaluation of the board, self-evaluation by each board member, peer evaluation, and evaluation by engaging external professional institutions, experts, or other appropriate methods.
Evaluation Procedures	A. The criteria for evaluating the performance of the Company's board of directors includes the following five aspects: <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company;</li> <li>2. Improvement of the quality of the board of directors' decision making;</li> <li>3. Composition and structure of the board of directors;</li> <li>4. Election and continuing education of the directors; and</li> <li>5. Internal control.</li> </ol> B. The criteria for evaluating the performance of the board members, whether conducting by the board members themselves or among peers, includes the following six aspects: <ol style="list-style-type: none"> <li>1. Familiarity with the goals and missions of the Company;</li> <li>2. Awareness of the duties of a director;</li> <li>3. Participation in the operation of the Company;</li> <li>4. Management and communication of internal relationship;</li> <li>5. The director's profession and continuing education; and</li> <li>6. Internal control.</li> </ol> C. The criteria for evaluating the performance of the audit committee includes the following five aspects: <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company;</li> <li>2. Awareness of the duties of the audit committee;</li> <li>3. Improvement of quality of decisions made by the audit committee;</li> <li>4. Makeup of the audit committee and election of its members; and</li> <li>5. Internal control.</li> </ol> D. The criteria for evaluating the performance of the compensation committee includes the following four aspects: <ol style="list-style-type: none"> <li>1. Participation in the operation of the Company;</li> <li>2. Awareness of the duties of the compensation committee;</li> <li>3. Improvement of quality of decisions made by the compensations committee; and</li> <li>4. Makeup of the compensation committee and election of its members.</li> </ol>
Evaluation Results (Internal)	The performance evaluation of the Company's Board of Directors including functional committees for the year of 2022 was conducted by the Investor Services using internal questionnaires and was completed on February 22, 2023 (evaluation period was from January 1st, 2022 to December 31st, 2022), and the results were submitted to the Board of Directors for discussion and improvement on April 27, 2023.

Implementation of evaluation of the Board of Directors

<p>Evaluation Results (Internal)</p>	<p>The evaluation results:</p> <p>A. The overall average score of the self-evaluation on the performance of the board of directors was 4.97 out of 5; the overall average score of the self-evaluation on the performance of the board members was 4.86 out of 5. The results show that six aspects and all the index were improved compared with the previous year. Among those aspects, the aspect of “management and communication of internal relationship” saw significant improvement. However, the aspect of “participation in the operation of the Company” got a lower score compared with other aspects this year. The Company will continue improving on the aspects with lower scores.</p> <p>B. The overall average score of the self-evaluation on the performance of the Audit Committee was 4.95 out of 5. The results show that the aspect of “makeup of the audit committee and election of its members” has significant improvement with high satisfaction from all the audit committee member. However, the aspect of “awareness of the duties of the audit committee “got a lower score compared with other aspects this year. The Company will continue improving on the aspects with lower scores.</p> <p>C. The overall average score of the self-evaluation on the performance of the Compensation Committee was 4.95 out of 5. The results show that the aspect of “makeup of the compensation committee and election of its members” has significant improvement, but the aspect of “improvement of the decision-making quality of the Compensation Committee“ got a lower score compared with other aspects this year. The Company will continue improving on the aspects with lower scores.</p> <p>The Company’s handling of and future improvement:</p> <p>A. The Company plans to propose the amendments to the Delta Risk Management Policy in reference to the Risk Management Best Practice Principles for TWSE/TPEX Listed Companies, and invites the directors and the independent directors to participate in important meetings held by the Company from time to time so that their directorships can gain an understanding on the existing and potential risks of the Company and provide timely and appropriate oversight and guidance.</p> <p>B. The Company has proposed improvement on the decision-making quality of the Compensation Committee by uploading meeting materials onto the dedicated platform for the Compensation Committee members so that all of them can review the materials in advance. Meanwhile, the meetings would start earlier in order to ensure sufficient discussion time for new topics when necessary.</p> <p>The overall performance of the Board of Directors, the Audit Committee and the Compensation Committee was deemed effective.</p>
<p>Evaluation Results (External)</p>	<p>The performance evaluation of the Company’s Board of Directors for the year of 2022 was conducted by the Taiwan Institute of Ethical Business (with the evaluation period from January 1, 2022 to December 31, 2022). The institute assigned 3 executive committee members: Ching Ping Shao, Yang Tsong Tsai, and Yueh Ping Yang to perform the evaluation. There was no relationship between the institute including the executive committee members and the Company that might affect its independence, and the Company obtained a declaration of independence from the Institute.</p> <p>The institute conducted the evaluation via acquiring the Company’s internal regulations, records, questionnaires, and onsite individual interviews based on the four following dimensions: I. Board professionalism and duties; II. Board effectiveness in decision making; III. The importance attached to internal controls by the Board of Directors; and V. The attitude of the Board of Directors towards sustainable operation. The Taiwan Institute of Ethical Business has issued the report of the Board performance evaluation on February 1<sup>st</sup>, 2023 and reported to the Board of Directors on February 22, 2023.</p> <p>Overall evaluation conclusion:</p> <p>A. The Board members provided diverse opinions from different perspectives and fully discussed them in the meetings of the Board of Directors.</p> <p>B. The Board of Directors established a risk policy and managed the group financial and business operation in a systematic way, so the board members could effectively stay on top of the group’s overall information, find out abnormal situation immediately and strengthen the management and oversight of corporate risks.</p> <p>C. The Board of Directors learned about, continued to promote and oversee the development of sustainable management through the Sustainability Committee and the Talent Development Committee.</p>

Implementation of evaluation of the Board of Directors

Evaluation  
Results  
(External)

Advice Suggestions for optimization:

- A. Enhance the communication frequency between the management and directors.
- B. Keep reviewing the appropriateness of the incentive scheme.
- C. Change the dedicated unit handling the whistle-blowing system and consider setting up an external hotline.

The Company's handling and future improvement:

- A. The Company holds a number of important meetings from time to time and invites the directors to participate in order to increase opportunities for communication between the management and directors.
- B. The new incentive scheme of the Company has been approved by the Board of Directors at the end of 2022.
- C. The Company will consider appropriate adjustments to the level of the unit handling whistle-blowing cases according to the nature and impacts of the events so as to increase its independence.