



Delta Electronics, Inc. (the “Company”)
Rules Governing Financial and Business Matters Between the Company and its
Related Parties
(Translation)

Passed by the Board of Directors on October 31, 2023

Article 1 Purpose

These Rules are specially adopted to establish clear strategies and specific rules of operation and management for handling related party transactions to achieve the purpose of internal control, safeguard the rights and interests of the Company, and protect the investment interests of shareholders.

Article 2 According to the Statements of Financial Accounting Standards 6, Related Party Disclosures, and Regulations Governing Preparation of Financial Reports, anyone who meets any of the following circumstances is deemed to be a related party of the Company:

1. Investments accounted for under the equity method of the Company.
2. An investor which regards the Company as an investment accounted for under the equity method.
3. The chairman and a general manager are the same person, spouses or relative within the second degree of kinship in other company.
4. A profit-seeking enterprise and foundation which receive a donation from the Company in the amount representing 1/3 of the total funds in its balance sheet of such foundation.
5. Directors, supervisors, general managers, vice-general managers, and department heads of the Company.
6. Spouses of directors, supervisors, and general managers of the Company.
7. Relatives within the second degree of kinship of the chairman and general managers of the Company.
8. An affiliated enterprise within the meaning given in Chapter VI-I of the Company Act, and any of its directors, supervisors, and managerial officers.
9. A company or institution governed by the same general management office as the Company, and any of its directors, supervisors, and managerial officers.



10. A person holding the position of manager or higher in the general management office.

11. A company or institution shown as an affiliated enterprise in the Company's publications or public announcements.

Although one of the circumstances in the preceding paragraph exists, but it can be proven that the company does not have the ability to control or have significant influence, this shall not apply. In determining whether a relationship of control exists, the substance of the relationship shall be considered in addition to the legal form.

Article 3 The Corporate Investment Division shall establish a list of related parties and regularly evaluate new additions or reductions and notify the Finance Division.

Article 4 The term "transaction" referred herein shall be a transfer of resources or obligations between related parties, regardless of whether monetary consideration is involved. The transaction between the Company and a related party includes:

1. sale of goods (including services provided)
2. purchase of goods (including services provided)
3. transaction of assets and long-term investment
4. loans
5. endorsements and guarantees
6. others

Article 5 Information of transaction contents and transaction results on any material transaction between the Company and a related party including the impacts on the profit and loss and financial situation shall be fully disclosed pursuant to the Financial Accounting Standards.

Article 6 The following rules for operating procedures, decision of transaction price, payment terms and management of account receivables and account payables generating from sale of goods or purchase of goods between the Company and a related party:

1. sale of goods:
 - (1) operating procedures of transactions: it shall be conducted in accordance with the sale and receipt cycle of the internal control systems of the Company.
 - (2) decision of transaction price: the pricing, terms of a transaction, and its formal and substantive nature and the related operating procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.

- (3) payment terms: when business needs require a transaction with a related party, except in special circumstances, or given advantageous conditions that differ from those of ordinary suppliers, under which the granting of preferential pricing or terms of payment can be reasonably stipulated, any other prices and payment terms shall be commensurate with those offered to ordinary suppliers.
2. purchase of goods:
 - (1) operating procedures of transactions: it shall be conducted in accordance with the purchase and payment cycle of the internal control systems of the Company.
 - (2) decision of transaction price: the pricing, terms of a transaction, and its formal and substantive nature and the related operating procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.
 - (3) payment terms: when business needs require a transaction with a related party, except in special circumstances, or given advantageous conditions that differ from those of ordinary suppliers, under which the granting of preferential pricing or terms of payment can be reasonably stipulated, any other prices and payment terms shall be commensurate with those offered to ordinary suppliers.

The amount of transaction with related parties in the preceding paragraph of which during a whole year is expected to be five percent of the Company's most recent net value of consolidated business income in the most recent year, in addition that the Regulations Governing the Acquisition and Disposal of Assets by Public Companies shall apply, or other than the transactions between the Company and its parent company or subsidiary or between affiliates, the following information shall be submitted to the Board of Directors for approval before the transactions may proceed:

1. Items, purpose, necessity, and projected benefits of the transactions.
2. The reason for choosing the related party as a trading counterparty.
3. The calculation principle of the transaction price and the projected limit of annual transaction value.
4. Description of whether transaction terms are consistent with regular commercial terms and that these terms will not damage the company interest or shareholder equity.



5. Restrictions on transaction and other important terms and conditions.

The following particulars about the transactions with related parties in the preceding paragraph shall be reported at the next shareholders' meeting after the end of a year:

1. Actual transaction value and terms and conditions.
2. Whether the calculation principle of the transaction price approved by the Board of Directors has been followed.
3. Whether the total value is under the limit on annual transaction value approved by the Board of Directors. If the total amount is above the limit, describe the reason, necessity, and fairness.

Article 7 The Finance Division shall review the related parties' balance of purchases and sales of goods and account receivables and account payables in the previous month by the end of the following month, if there are differences, the reasons must be understood, and a reconciliation statement must be prepared.

Article 8 Any asset transaction, derivative trading, merger, demerger, acquisition, or share transfer between the Company and a related party shall be conducted in accordance with the Operating Procedures of Acquisition or Disposal of Assets prescribed by the Company.

If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in the Article 12 of the Operating Procedures of Acquisition or Disposal of Assets of the Company and the transaction amount will reach 10% or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of the Article 12 of the Operating Procedures of Acquisition or Disposal of Assets of the Company to the shareholders' meeting for approval, and a shareholder that is an interested party shall not participate in the voting.

If the Company has performed a transaction under the Article 12 of the Operating Procedures of Acquisition or Disposal of Assets of the Company between the Company with a related party, information about the actual transaction (including the actual price and terms of the transaction, and the information described in the first paragraph of the Article 12 of the Operating Procedures of Acquisition or Disposal of Assets of the Company, etc.) should be reported at the next shareholders' meeting after the end of a year. However, this is not applied to transactions between the Company and its subsidiaries or between affiliates.



- Article 9** Any loans or endorsements and guarantees between the Company and a related party shall be conducted in accordance with the Operating Procedures of Fund Lending prescribed by the Company.
- Article 10** Any endorsements and guarantees between the Company and a related party shall be conducted in accordance with the Operating Procedures of Endorsement and Guarantee prescribed by the Company.
- Article 11** A material transaction between the Company and a related party except for the general purchase and sale of goods shall be approved by the Board of Director; the Chairman of the Board of Directors may approve advance only if due to the necessity of limitation of time, provided it is subsequently submitted to and ratified by the next board meeting.
- Article 12** Regarding all matters not provided in these Rules, the Company's internal control systems and other relevant rules shall govern.
- Article 13** These Rules, and any amendments hereto, shall be implemented after adoption by the Board of Directors.