



Delta Electronics Inc.

Antitrust Legal Compliance Guidelines

20201006 implemented

Delta Electronics Inc. and all of its affiliates and subsidiaries (hereinafter collectively, “Delta” or the “Group”) have formulated these Guidelines (hereinafter these “Guidelines”) in order to comply with the antitrust laws (or “Fair Trade Act”, “Competition Law” or “Anti-Monopoly Law”) of any applicable jurisdictions. If there are other regulations in the Antitrust Law of any applicable jurisdictions, each member of the jurisdiction shall also comply with these regulations and might formulate the applicable compliance guidelines in such jurisdiction, provided that the stipulations of these Guidelines shall serve as the principles to the extent possible.

I. Core of These Guidelines

1. Core: Comply with the laws and regulations of all applicable jurisdictions where operations and business take place, including the antitrust law, competition law, anti-monopoly law or other laws designated to promote fair competition and maintain the transaction order in any applicable jurisdiction to maintain a market of fair competition.
2. Manner: Through the declaration of internal legal compliance guidelines and training, allow all members of the Group to understand these Guidelines, applicable laws and the legal effect thereof.
3. Purpose: All members of the Group shall duly comply with these Guidelines to protect a market of fair competition and reduce potential legal risk and negative impact that violations of the laws may bring to the business of the Group.
4. Expectation: In a market of fair competition, the Group and other enterprises of integrity can grow normally and create more legal profits.

II. General Rules

1. All members of the Group, including all employees and management staff (hereinafter collectively, the “Members”) shall comply with the Antitrust Laws of all applicable jurisdictions where business takes place and shall comply with the latest version of these Guidelines.
2. All Members of the Group shall participate in Antitrust Law training and express their support to these Guidelines clearly.
3. Upon knowledge or involvement of any event in breach of the Antitrust Law



(including potential breach), the Member shall immediately notify to the direct and highest-level supervisors of his/her unit, contact the legal compliance executive and the legal department to seek professional legal assistance and undertake proper measures to eliminate or reduce legal liabilities.

4. All Members shall understand that customary commercial behavioral models adopted in a specific country may not necessary be deemed lawfulness in other countries. Avoid such behavior in case of any doubt.

III. Prohibited Types of Conduct and Related Precautions:

The following conducts are strictly prohibited:

1. Concerted Action:

- (1) The act of agreed or collective behavior with competitors through contracts or otherwise for the purpose of reducing competition and increasing profit, causing or with the intention to cause damage or restriction of fair competition, such as price fixing, restrictive productivity , bid rigging, allocation of clients or markets, etc.
- (2) It is prohibited to fix prices with competitors or discuss or exchange prices or other sensitive information with competitors, such as the time and manner of price adjustment.
- (3) It is prohibited to reach an agreement with competitors to allocate sales territories or customers.
- (4) It is prohibited to reach any agreement with competitors to separate mutual markets.
- (5) It is prohibited to conspire with competitors to raise price through buyer's organization of tender procedure for the procurement of services or products.
- (6) It is prohibited to agree with the competitors to refuse business dealings with specific customer, suppliers or other competitors in order to seek profits.
- (7) Before contacting or reaching any agreement with any competitors, or participating in any meeting of the industry association, shall request the organizer to provide an agenda and consult the legal department in advance.
- (8) In relation to the above, it should be noted that unlawful conduct is not limited to express or written means. Unlawful conduct could be reaching consensus in the form of express or implied, formal or informal, verbal



or written consensus. Any act, such as contact between a Member and a market competitor, shall be engaged in a prudent manner to avoid potential conduct of unfair competition.

- (9) When a competitor wishes to discuss sensitive information related to competition (such as price, quantity, productivity utilization, transaction counterpart, etc.), you shall immediately refuse and leave. If possible, document the refusal and immediately report to your supervisor and notify the legal department.
- (10) The sources of pricing information of competitors shall be limited to public information platforms or other legal public sources. These information (including sources) shall be kept in due custody.
- (11) Exercise care with regard to the questions raised by industry analysts or market surveyors. If any reply is related to the future pricing of the Group, it may also be deemed as an illegal agreement and should be avoided.
- (12) Other than justifiable causes and purposes unrelated to market competition, you shall either avoid meeting or discussing with competitors any potentially illegal behavior or issues and also avoid discussing business-related matters with friends or relatives who are employed by competitors.
- (13) Do not discuss any competition-related sensitive information (including past, current and future sensitive information) such as price or information that may impact the price, sales volume, sales and tender conditions, production capacity, inventory, transaction counterparts and territories, cost and profit, business strategy or plan, market share, etc. with competitors through email, telephone, text message, meeting, etc. or at any occasion such as exhibitions, seminars and/or meetings of any standardized group, industry alliance or trade association.
- (14) Do not publish, accept interview or issue press release to create an opportunity to discuss competition sensitive information with competitors or to take concerted action.
- (15) After meeting with any competitors, you shall record any detail contact information in writing, including purpose of the meeting, agenda, time, location, meeting participants, etc.
- (16) The contents of contracts, meeting records or telephone details with competitors or transaction counterparts shall be kept the written and electronic files and file them kept in due custody.
- (17) Other than competitors, Members shall keep alert in contacting or

communicating with other companies in the same businesses and exercise care to the occurrence of any event of unfair competition. In case of any doubt, avoid such contact.

2. Monopolistic conduct or exploiting dominant position:

- (1) Monopolistic conduct or having a dominant position alone is not unlawful, but exploiting the monopolistic or dominant position in a manner that causes a competitor to be excluded risks contravening the law. In relation to monopolistic conduct, any Member or business units believe that the market share of a specific product in the Group exceeds the upper limit set by the laws of the located jurisdiction (or believes that the ratio is higher than reasonable proportion) shall consult the legal department.
- (2) Set an unreasonably high price arbitrarily based on a monopolistic position in the market is prohibited.
- (3) Below-cost pricing for the purpose of excluding competitors (i.e. predatory pricing) is prohibited.
- (4) Adopt exclusive distribution model only when there is due justification.
- (5) Do not restrict distributor's sale within a certain territory unless there is due justification. That is, avoid restricting distributors' sale outside the distribution territory without justification.
- (6) Do not refuse transaction or differentiate treatment to transaction counterparties without justification.
- (7) Do not use the strategy of tie-in sales without justification. If there are tie-in sales, the transaction counterparties shall be allowed to purchase single-item products separately.
- (8) Do not request any other enterprise to boycott any specific target (cut off supply, purchase or other transaction).
- (9) Do not compel transaction counterparties to impose unreasonable or unfair transaction conditions, including tie-in sale discounts or demanding exclusive procurement, etc., to exclude competitors from the distribution channels.

3. Merger

In accordance with the law, when enterprises reach a certain percentage of market share due to merger, they must make a filing with the competent authority.

4. Restriction on Resale Price

- (1) Do not impose suggested sale prices on distributors or provide rewards or sanctions for suggested sale prices.
- (2) Avoid undue restriction on distributors' resale prices and do not set minimum sale prices.
- (3) Do not agree on fixed resale prices with distributors such as through discount, rebate or cost sharing.
- (4) Do not interlock the resale prices to your own distributors and the distributors of the competitors.
- (5) Do not compel distributors to maintain resale prices through threat, inducement, delay or cancellation of supply.

5. Other Conduct of Unfair Competition and Precautions:

- (1) It is prohibited to engage in undue conduct that interferes with competition, such as undue restriction on downstream (vertical) transaction prices, seizing of transaction opportunities through improper means, improper acquisition of other enterprises' production and sale secrets or restricting business activities of others.
- (2) It is prohibited to engage in unethical competitive conduct such as counterfeit, false and/or misleading advertising, offense against business goodwill, multi-level marketing, etc.
- (3) Commercially Sensitive Information

In general, it may be illegal to exchange commercially sensitive information between competing companies which will impact their independent business decisions or commercial policies.

Commercially sensitive information is information that may affect commercial decisions or strategies of Delta or third parties (including past, current or future sensitive information):

- Price and fixed price factors (such as actual price, discount, computation manner), pricing strategy, estimated price variation (increase and decrease).
- Sales revenue, sales volume (including market share), sales territory, purchase order details, marketing and distribution strategies, market penetrations client lists, terms of sales agreements and sales conditions, etc.
- Planned or ongoing price quotations, bid submissions (including technical specifications and terms).

- Purchase from specific suppliers, purchase volumes, purchase prices, terms of purchase agreements, etc.
- Cost structure (research and development, production and sale), profit ratio, production capacity, capacity utilization, production or production capacity investment.
- Business plans (including research and development plans, investment plans).

The following is not deemed as commercially sensitive:

- Irrelevant to competition.
- In the public domain.
- Outdated.
- Statistics.

(4) Joint Venture or Cooperation Arrangements

- Although the arrangements of joint ventures and cooperation among multiple companies are very common, it should still be evaluated whether the conduct of such type of cooperation is in compliance with Antitrust Law or other laws.
- If the cooperative conduct relates to any arrangement or agreement with other parties such as joint production, joint marketing, joint distribution, joint purchase, joint research and development or joint venture, please consult the legal department before engaging in such above conducts.
- Even after a legal joint venture enterprise or cooperative mechanism is established, care should continue to be exercised as to the existence of antitrust risk.

(5) Merger and Acquisition Transactions

Approval by Competent Authority

- Merger/acquisition transactions that involve the merger/acquisition of companies, businesses or assets may require to notify relevant competent authorities.
- Whether merger/acquisition transaction should be notified to the competent authority depends on many factors, such as the threshold of transaction value, scales of the parties, business categories, foreign investor identities, etc.
- If a party fails to report to the competent authority a transaction subject to filing, there is a risk of penalty or nullification of the transaction by the authority.

Stand-still Obligation

- From the signature of the merger/acquisition agreement until the completion of the merger/acquisition transaction, the transacting parties are bound by a stand-still obligation.
- During the period of stand-still, certain consolidation activities in the merger/acquisition transaction (including exchange of commercial sensitive information) may be subject to restrictions before receiving the approval from the competent authority or before achievement of the contract performance conditions (closing).

IV. Due to the variations of Antitrust Laws and fair competition related legislations in different jurisdictions, Members shall comply with the local legislations depending on their locations. Members should understand that customary commercial behavioral models adopted in a specific country may not necessarily be deemed legal in other countries. In case of any doubt, please consult the Legal Department.

V. Legal Compliance Promotion and Procedure

1. Antitrust Compliance Supervisor and Legal Compliance Team

The general counsel of the Group serves as the head of antitrust law compliance and will supervise the Group's compliance with antitrust laws and handling the procedures. The general counsel will decide whether an antitrust compliance team should be established depending on the situation.

2. Mission of Antitrust Compliance Team

The antitrust compliance team may execute the following missions depending on the situation:

- (1) Arrange educational program and training of Antitrust Law within the Group;
- (2) Organize proper test and evaluation for trainees and document the whole process in a proper manner;
- (3) Responsible for the supervision of Antitrust Law compliance procedures in each territory;
- (4) Provide information about new legislations in each territory.

3. Members' Obligation to Take Legal Compliance Training and Supplier Management

- (1) All senior management of the Group, all Members who may come into contact with competitors and Members engaged in pricing and product

marketing shall take legal compliance training;

- (2) The above staff shall participate in at least one face-to-face lecture, online learning or mixed model of legal compliance program per year.
- (3) Members of the Group shall request their suppliers to comply with these Guidelines and applicable laws of each territory. If any Member of the Group discovers, or has reason to believe, that any contractor, supplier or distributor of the Group has violated or is suspected of violating applicable law, shall immediately report such to their direct and highest-level supervisor of his/her unit.

4. Reporting and Handling

Any Member who discovers or encounters any of the following events shall immediately report to the following persons who receive the report and shall undertake precautionary measures:

- (1) Any event in breach of antitrust law;
- (2) Any event that may breach antitrust law;
- (3) Any event that may lead to the breach of antitrust law.

The persons who receive reports are as follows:

- (1) Direct and highest-level supervisors of the unit;
- (2) Local legal department;
- (3) The supervisor of antitrust law compliance (headquarters legal department email address: legal@deltaww.com)

5. The Procedure to Legal Compliance Supervisor or Legal Department at the time of being notified:

- (1) Investigate the reported facts, verify whether the Group is in breach of antitrust law and report to management;
- (2) In cases of potential breach of antitrust law, seek assistance from outside counsel and take corresponding measures as soon as possible (including applying for leniency policy);
- (3) If any supplier, distributor or vendor of the Group commits or may have committed offense under Antitrust Laws, all relevant units shall notify the legal compliance supervisor or the legal department, you shall request the vendor to stop the unlawful conduct and cooperate with investigations by the government authority.