

DIODES INC /DEL/  
Form DEF 14A  
April 15, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**DIODES INCORPORATED**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**DIODES INCORPORATED**  
**Notice of Annual Meeting of Stockholders**  
**To Be Held May 26, 2011**

**Notice is hereby given that the annual meeting (the Meeting ) of the stockholders of Diodes Incorporated (the Company ) will be held at the Westin Stonebriar Resort, located at 1549 Legacy Drive, Frisco, Texas 75034, on Thursday, May 26, 2011, at 10:00 a.m. (Central Time) for the following purposes:**

1. **Election of Directors.** To elect seven persons to the Board of Directors of the Company, each to serve until the next annual meeting of stockholders and until their respective successors have been elected and qualified. The Board of Directors nominees are: C.H. Chen, Michael R. Giordano, Lu-Pao ( L.P. ) Hsu, Keh-Shew Lu, Raymond Soong, John M. Stich and Michael K.C. Tsai.
2. **Executive Compensation.** To consider an advisory vote on executive compensation.
3. **Frequency of Advisory Vote on Executive Compensation.** To consider an advisory vote on the frequency of the advisory vote on executive compensation.
4. **Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the appointment of Moss Adams LLP as the Company s independent registered public accounting firm for the year ending December 31, 2011.
5. **Other Business.** To transact such other business as properly may come before the Meeting or any adjournment or postponement thereof.

Only persons who were stockholders of record at the close of business on March 31, 2011 are entitled to notice of and to vote, in person or by proxy, at the Meeting or any adjournment or postponement thereof.

The proxy statement, which accompanies this Notice, contains additional information regarding the proposals to be considered at the Meeting, and stockholders are encouraged to read it in its entirety.

We have elected to provide access to our proxy materials by notifying you of the availability of our proxy statement and our fiscal 2010 Annual Report to Stockholders over the Internet at [www.proxyvote.com](http://www.proxyvote.com). Stockholders may also obtain a printed copy of the proxy materials free of charge by following the instructions provided in the Notice of Internet Availability of Proxy Materials that will be mailed to stockholders on or about April 15, 2011 or in the enclosed proxy statement.

As set forth in the enclosed proxy statement, proxies are being solicited by and on behalf of the Board of Directors of the Company. All proposals set forth above are proposals of the Board of Directors.

**Whether or not you plan to attend the Meeting, YOUR VOTE IS IMPORTANT. Please follow the instructions enclosed to ensure that your shares are voted. If you attend the Meeting, you may revoke your proxy and vote your shares in person. You may revoke your proxy at any time prior to its exercise at the Meeting.**

Dated at Dallas, Texas, this 15th day of April, 2011.

By Order of the Board of Directors,

DIODES INCORPORATED

Richard D. White,  
Secretary

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**Diodes Incorporated**  
**15660 Dallas Parkway, Suite 850**  
**Dallas, Texas 75248**  
**(972) 385-2810**  
**Proxy Statement**  
**Annual Meeting: May 26, 2011**  
**GENERAL INFORMATION**

This proxy statement ( Proxy Statement ) is furnished in connection with the solicitation of proxies by the Board of Directors (the Board ) of Diodes Incorporated (the Company ) for use at the annual meeting (the Meeting ) of the stockholders of the Company to be held on Thursday, May 26, 2011, at the Westin Stonebriar Resort, located at 1549 Legacy Drive, Frisco, Texas 75034, at 10:00 a.m. (Central Time), and at any adjournment or postponement thereof. Only stockholders at the close of business on March 31, 2011 (the Record Date ) are entitled to notice of and to vote, in person or by proxy, at the Meeting or any adjournment or postponement thereof.

**Matters to be Considered at the Meeting:**

The matters to be considered and voted upon at the Meeting will be:

- 1. Election of Directors.** To elect seven persons to the Board, each to serve until the next annual meeting of stockholders and until their respective successors have been elected and qualified. The Board's nominees are: C.H. Chen, Michael R. Giordano, L.P. Hsu, Keh-Shew Lu, Raymond Soong, John M. Stich and Michael K.C. Tsai.
- 2. Executive Compensation.** To consider an advisory vote on executive compensation.
- 3. Frequency of Advisory Vote on Executive Compensation.** To consider an advisory vote on the frequency of the advisory vote on executive compensation.
- 4. Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the appointment of Moss Adams LLP as the Company's independent registered public accounting firm for the year ending December 31, 2011.
- 5. Other Business.** To transact such other business as properly may come before the Meeting or any adjournment or postponement thereof.

**Voting Recommendations of the Board**

Our Board recommends that you vote your shares FOR each of the nominees to the Board, FOR the approval of executive compensation, FOR a stockholder advisory vote on executive compensation every THREE YEARS, and FOR the ratification of the appointment of Moss Adams LLP.

**Important Changes to Voting Shares Held in Street Name**

Since our last annual meeting of stockholders, there have been important changes in how your shares held in street name by a brokerage firm may be voted in the election of directors or on executive compensation. Previously, if you were the beneficial owner of shares held in street name by a brokerage firm, bank, broker-dealer, or other similar organization, and you failed to instruct the organization as to how to vote such shares, the organization could, in its discretion, vote such shares in the election of directors or on executive compensation. Brokerage firms who are members of the New York Stock Exchange are no longer allowed to vote your shares held in street name in the election of directors or on executive compensation, if you fail to instruct the organization how to vote such shares. Therefore, it is very important that you provide instructions on how to vote any shares beneficially owned by you in street name.

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### **Internet Access to Proxy Materials**

Under rules adopted by the Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy materials over the Internet at [www.proxyvote.com](http://www.proxyvote.com). Stockholders will not receive printed copies of the proxy materials unless they request them.

On or about April 15, 2011, a Notice of Internet Availability of Proxy Materials (the Notice) was sent to our stockholders of record and beneficial owners.

The Notice provides you with instructions regarding how to:

View our proxy materials for the Meeting on the Internet;

Request a printed copy of the proxy materials; and

Instruct us to send future proxy materials to you by mail or electronically by email on an ongoing basis.

Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

The proxy materials include:

Notice of Annual Meeting of Stockholders;

This Proxy Statement; and

The 2010 Annual Report to Stockholders, which includes our audited consolidated financial statements.

If you request printed copies of the proxy materials by mail, these materials will also include a proxy card.

### **How to Vote**

**Stockholder of Record.** If your shares are registered directly in your name with our transfer agent, Continental Stock Transfer & Trust Company, you are considered the stockholder of record with respect to those shares, and the Notice was sent directly to you by the Company.

If you are a stockholder of record, you may attend the Meeting and vote in person. You will be provided with a ballot at the Meeting.

If you do not wish to attend the Meeting and vote in person, you may vote by proxy. There are three ways to vote by proxy. You may vote by telephone by calling (800) 690-6903 and following the instructions provided. You may vote over the Internet at [www.proxyvote.com](http://www.proxyvote.com) by following the instructions provided. If you request and receive a printed copy of the proxy materials by mail, you can vote by mail by signing and dating the enclosed proxy card and either mailing it in the postage-paid envelope provided to the address stated on the proxy card or transmitting it by facsimile to the Inspector of Elections at 805-381-3829.

Telephone and Internet voting facilities for stockholders will be available 24 hours a day and will close at 11:59 p.m. (Eastern Time) on May 25, 2011. If a proxy is properly submitted and is not revoked, the proxy will be voted at the Meeting in accordance with the stockholder's instructions indicated on the proxy. If no instructions are indicated on the proxy, the proxy will be voted FOR the election of the Board's nominees, FOR the approval of executive compensation, FOR a stockholder advisory vote on executive compensation every THREE YEARS, FOR ratification of the appointment of Moss Adams LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011, and in accordance with the recommendations of the Board as to any other matter that may properly be brought before the Meeting or any adjournment or postponement thereof.



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**Beneficial Owner of Shares Held in Street Name.** If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the beneficial owner of shares held in street name, and the Notice was forwarded to you by that organization. The organization holding your shares is considered the stockholder of record for purposes of voting at the Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account by following the instructions provided. If you wish to attend the Meeting and vote in person, you must obtain a proxy executed in your favor from the organization that holds your shares.

Even if you plan to attend the Meeting, we recommend that you also submit your proxy or voting instructions so that your vote will be counted if you later decide not to attend the Meeting.

### **How to Change or Revoke Your Vote**

You may change your vote at any time before the vote at the Meeting. If you are a stockholder of record, you may change your vote by voting again by proxy over the Internet or telephone on a later date (only your last Internet or telephone proxy will be counted), or by filing a written revocation, or a duly executed proxy card bearing a later date, with the Company's Secretary at the Meeting or at our offices located at 15660 Dallas Parkway, Suite 850, Dallas, Texas 75248 prior to the vote at the Meeting. You may also change your vote by attending the Meeting and voting in person. Attending the Meeting in person will not automatically revoke a previously granted proxy unless you vote again at the Meeting or file a written revocation with the Company's Secretary at or before the Meeting.

If you are a beneficial owner of shares held in street name, you may change your vote by submitting new voting instructions to the brokerage firm, bank, broker-dealer or other organization holding your shares by following the instructions they provided or, if you obtained a proxy in your favor from that organization, by attending the Meeting and voting in person.

### **Voting Rights**

The authorized capital of the Company consists of (i) 70,000,000 shares of common stock, par value \$0.66-2/3 per share ( Common Stock ), of which 45,065,616 shares were issued and outstanding on the Record Date and (ii) 1,000,000 shares of Preferred Stock, \$1.00 par value ( Preferred Stock ), none of which were issued and outstanding on the Record Date. The Common Stock and the Preferred Stock are collectively referred to as the Stock.

A majority of the shares of Common Stock issued and outstanding and entitled to vote at the meeting, present either in person or by proxy, constitutes a quorum for the conduct of business at the Meeting. Votes withheld, abstentions and broker non-votes (as defined below) will be counted for the purpose of determining the presence of a quorum.

Each stockholder is entitled to one vote, in person or by proxy, for each share of Common Stock standing in his or her name on the books of the Company at the close of business on the Record Date on any matter submitted to the stockholders, except that in connection with the election of directors, each stockholder has the right to cumulate votes, provided that the candidates' names have been properly placed in nomination prior to commencement of voting, and a stockholder has given notice prior to commencement of voting of his or her intention to cumulate votes. If a stockholder has given such notice, all stockholders may cumulate their votes for all nominated candidates. Cumulative voting entitles a stockholder to give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of shares of Common Stock owned by such stockholder, or to distribute such stockholder's votes on the same principle among as many candidates as the stockholder shall think fit. Discretionary authority to cumulate votes is hereby solicited by the Board, and the vote by proxy through the Internet, telephone or mail shall grant such authority.

In the election of directors, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected. Passage of the proposal to approve executive compensation requires that the number of votes FOR approval of executive compensation must exceed the number of votes AGAINST approval. The stockholders will be considered to have approved the frequency every three years, every two years or every year receiving the greatest number of votes. Abstentions and broker non-votes will have no effect with respect to the election of directors, the advisory vote on executive compensation, or the advisory vote on the frequency of such vote on executive compensation. These votes with respect to executive compensation and the frequency of the advisory vote on executive compensation are not binding on the Company, the Board or the Compensation Committee.

However, the Board, particularly the Compensation Committee, will review the results of these votes and take them into consideration when making future decisions regarding executive compensation and the frequency of the advisory vote on executive compensation.

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Each proposal described in this Proxy Statement, other than the election of directors and the stockholder advisory votes, requires the affirmative vote of the holders of a majority of the outstanding shares of Common Stock present, in person or by proxy, and entitled to vote on the proposal at the Meeting. With respect to all other proposals submitted to the stockholders, abstentions will be included in the number of votes present and entitled to vote on that proposal and, accordingly, will have the effect of a vote AGAINST the proposal. However, broker non-votes with respect to any other such proposal submitted to the stockholders will not be counted as shares present and entitled to vote on that proposal and, accordingly, will not have any effect with respect to the approval of that proposal (other than to reduce the number of affirmative votes required to approve the proposal).

Of the shares of Common Stock outstanding on the Record Date, 8,365,781 (or approximately 18.6%) were held in the name of Lite-On Semiconductor Corporation. See Security Ownership of Certain Beneficial Owners and Management and Corporate Governance Certain Relationships and Related Transactions, for additional information about Lite-On Semiconductor Corporation and its subsidiaries and affiliates ( LSC ). On the Record Date, an additional 3,544,431 shares (or approximately 7.3%) were owned by directors and executive officers of the Company. LSC and each of the directors and executive officers have informed the Company that they will vote FOR the election of the nominees to the Board identified herein, FOR the approval of executive compensation, FOR a stockholder advisory vote on executive compensation every THREE YEARS, and FOR ratification of the appointment of Moss Adams LLP as the Company's independent registered public accounting firm.

Organizations holding Common Stock in street name who are members of a stock exchange are required by the rules of the exchange to transmit the proxy materials to the beneficial owner of the Common Stock and to solicit voting instructions with respect to the matters submitted to the stockholders. If the organization has not received instructions from the beneficial owner by the date specified in the statement accompanying such proxy materials, the organization may give or authorize the giving of a proxy to vote the Common Stock in its discretion as to some matters, but not as to certain other proposals, without specific instructions from the beneficial owner. When an organization is unable to vote a client's shares on a proposal, the missing votes are referred to as broker non-votes. If you hold Common Stock in street name and you fail to instruct the organization that holds your shares as to how to vote such shares, that organization may, in its discretion, vote such Common Stock FOR ratification of the appointment of Moss Adams LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011, but not with respect to the election of the nominees to the Board or with respect to the advisory vote on executive compensation or the advisory vote on the frequency of such vote on executive compensation.

**Cost of Proxy Solicitation**

This proxy solicitation is made by the Board, and the Company will bear the costs of this solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and any other material used in this proxy solicitation. If it should appear desirable to do so to ensure adequate representation at the Meeting, officers and regular employees may communicate with stockholders of record, beneficial owners, banks, brokerage houses, custodians, nominees and others, by telephone, facsimile transmissions, telegraph, email or in person to request that the proxies be furnished. No additional compensation will be paid for these services to officers or employees of the Company. The Company will reimburse banks, brokerage houses, and other custodians, nominees and fiduciaries, for their reasonable expenses in forwarding proxy materials to their principals. The estimated cost for this proxy solicitation is approximately \$50,000.

**Change of Address**

As of the beginning of May 2011, the Company headquarters will be relocated to a new location at 4949 Hedgcoxe Road, Suite 200, Plano, Texas 75024.

**Other Business**

As of the date of this Proxy Statement, the Board knows of no business to be presented for consideration at the Meeting other than as stated in the Notice of Annual Meeting of Stockholders. However, if any other matters properly come before the Meeting, including a motion to adjourn the Meeting to another time or place, to solicit additional proxies in favor of the recommendation of the Board, the designated proxyholders will vote the shares represented by the proxies on such matters in accordance with the recommendation of the Board, and authority to do so is included in

the proxy. Such authorization includes authority to appoint a substitute nominee or nominees to the Board's nominees identified herein where death, illness or other circumstances arise which prevent any such director-nominee from serving in such position and to vote such proxy for such substitute nominee. Dr. Keh-Shew Lu and Richard D. White, the designated proxyholders (the Proxyholders), are members of the Company's management.

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The following table sets forth the beneficial ownership of Common Stock as of the Record Date by each person known to the Company to be the beneficial owner of five percent (5%) or more of the outstanding shares of Common Stock (other than depositories).

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership<sup>(1)</sup></b>	<b>Percent of Class<sup>(2)</sup></b>
Lite-On Semiconductor Corporation ( LSC ) 9F. No. 233-2, Pao-Chiao Road, Hsin-Tien, Taipei-hsien 23115, Taiwan, R.O.C.	8,365,781 <sup>(3)</sup>	18.6%
FMR LLC 82 Devonshire Street, Boston, Massachusetts 02109	4,154,100 <sup>(4)</sup>	9.2%
BlackRock Inc. 40 East 52 <sup>nd</sup> Street, New York, New York 10022	2,590,585 <sup>(5)</sup>	5.7%
Brown Capital Management, LLC 1201 N. Calvert Street, Baltimore, Maryland 21202	2,587,642 <sup>(6)</sup>	5.7%

- (1) The named stockholder has sole voting power and investment power with respect to the shares listed, except as indicated below.
- (2) Percentage of Class is based on 45,065,616 shares outstanding as of the Record Date.
- (3) LSC is a public company listed on the Taiwan Stock Exchange Corporation and a member of the Lite-On Group of companies. See Corporate Governance Certain Relationships and Related Transactions for a discussion of the relationship among LSC, the Company and certain directors and executive officers of the Company.
- (4) Based solely on information provided by FMR LLC in a Schedule 13G/A filed with the SEC on February 14, 2011 reporting beneficial ownership of the Company's Common Stock. According to the Schedule 13G, neither FMR LLC, which is a parent holding company, nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Fidelity Funds Board of Trustees. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity Management & Research Company, and the funds each has sole power to dispose of the 4,154,100 shares owned by the Fidelity Funds.
- (5) Based solely on information provided by BlackRock Inc. in a Schedule 13G/A filed with the SEC on February 4, 2011, reporting beneficial ownership of the Company's Common Stock. According to the Schedule 13G, BlackRock Inc. has sole voting power with respect to 2,590,585 shares, has sole dispositive power with respect to 2,590,585 shares and has neither shared voting power nor shared dispositive power with respect to any shares.
- (6) Based solely on information provided by Brown Capital Management, LLC in a Schedule 13G/A filed with the SEC on February 7, 2011 reporting beneficial ownership of the Company's Common Stock. According to the Schedule 13G, Brown Capital Management, LLC has sole voting power with respect to 1,323,534 shares, has sole dispositive power with respect to 2,587,642 shares and has neither shared voting power nor shared dispositive power with respect to any shares.

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The following table sets forth the beneficial ownership of Common Stock of the Company as of the Record Date by (i) each director and director-nominee of the Company, (ii) each Named Executive Officer ( NEO ) of the Company (as defined below), and (iii) all directors, director-nominees and executive officers of the Company as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial	Percent of Class
	Ownership (1)	(2) (3)
<b>Directors</b>		
Raymond Soong	620,000 <sup>(4)</sup>	1.4%
C.H. Chen	452,954 <sup>(4)</sup>	1.0%
Michael R. Giordano	177,162 <sup>(4)</sup>	*
L.P. Hsu	11,837 <sup>(4)</sup>	*
Keh-Shew Lu <sup>(5)</sup> <sup>(10)</sup>	1,350,184 <sup>(4)</sup> <sup>(6)</sup> <sup>(11)</sup>	3.0%
John M. Stich	90,337 <sup>(4)</sup> <sup>(7)</sup>	*
Michael K.C. Tsai	1,450 <sup>(4)</sup>	*
<b>Executive Officers</b>		
Richard D. White <sup>(10)</sup>	90,025 <sup>(4)</sup>	*
Mark A. King <sup>(10)</sup>	228,450 <sup>(4)</sup>	*
Joseph Liu <sup>(10)</sup>	361,919 <sup>(4)</sup>	*
Edmund Tang <sup>(10)</sup>	62,031 <sup>(4)</sup>	*
All directors and executive officers of the Company as a group (15 individuals including those named above)	3,544,431 <sup>(8)</sup> <sup>(9)</sup> <sup>(11)</sup>	7.3%

\* Less than 1%.

- (1) The named stockholder has sole voting power and investment power with respect to the shares listed, except as indicated and subject to community property laws where applicable.
- (2) Under Rule 13d-3 of the Securities Exchange Act of 1934 (the Exchange Act ), certain shares may be deemed to be beneficially owned by more than one person (for example, if a person shares the power to vote or the power to dispose of the shares). In addition, under Rule 13d-3(d)(1) of the Exchange Act, shares which the person (or group) has the right to acquire within sixty (60) days after the Record Date are deemed to be outstanding in calculating the beneficial ownership and the percentage ownership of the person (or group) but are not deemed to be outstanding as to any other person or group. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership of voting power with respect to the number of shares of Common Stock actually outstanding at the Record Date.
- (3) Percentage of Class is based on 45,065,616 shares of the Common Stock of the Company outstanding as of the Record Date.

*(Footnotes continued on following page)*

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- (4) Includes the following shares of Common Stock that the named individual has the right to acquire within sixty (60) days after the Record Date by exercising stock options or the vesting of restricted stock units or awards:

<b>Named Individual</b>	<b>Shares</b>
Raymond Soong	486,438
C.H. Chen	98,538
Michael R. Giordano	128,013
L.P. Hsu	4,138
Keh-Shew Lu	606,625
John M. Stich	70,638
Michael K.C. Tsai	1,450
Richard D. White	74,900
Mark A. King	228,450
Joseph Liu	251,901
Edmund Tang	54,850
<b>TOTAL</b>	<b>2,089,641</b>

- (5) Dr. Lu is a member of the Board and the President and Chief Executive Officer of the Company.
- (6) Includes 280,750 shares of Common Stock held in the name of Texastac Investments L.P. and the Lu Family Revocable Trust, and 23,750 shares of Common Stock held in the name of an UTMA (Custodial) Trust. Dr. Lu is the co-general partner of Texastac Investments L.P. and a co-trustee of the Lu Family Revocable Trust and UTMA (Custodial) Trust. He has voting and investment authority over these shares held.
- (7) Includes 7,312 shares of Common Stock held in the name of Stich Family Holdings, LLC. Mr. Stich is a member of Stich Family Holdings, LLC and has voting and investment authority over these shares.
- (8) Includes 2,089,641 shares that the directors, director-nominees and executive officers have the right to acquire within sixty (60) days after the Record Date, by exercising stock options or the vesting of restricted stock units or restricted stock awards, but excludes an additional 767,540 shares that the directors, director-nominees and executive officers will have the right to acquire upon the exercise of stock options or restricted stock units or restricted stock awards, which may vest in installments more than sixty (60) days after the Record Date.
- (9) Includes beneficial ownership of Common Stock in the amount of 98,082 shares owned by executive officers other than NEOs.
- (10) These five executive officers, Dr. Keh-Shew Lu, Richard D. White, Mark A. King, Joseph Liu and Edmund Tang, are NEOs. See Compensation Discussion and Analysis Introduction.
- (11) Excludes 100,000 shares of Common Stock granted to Dr. Lu on April 14, 2010 subject to certain performance criteria. Ultimately 600,000 shares of Common Stock as restricted stock awards will be granted to Dr. Lu in six equal annual installments of 100,000 shares, beginning April 14, 2010 and on each of the five subsequent anniversaries of such date, subject to certain performance criteria. See Executive Compensation Narrative to Summary Compensation Table and Plan-Based Awards Table Employment Agreements.

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ELECTION OF DIRECTORS**

The Company's Bylaws provide that the number of directors shall be determined from time to time by the Board, but may not be less than five nor more than seventeen. Currently, the Board has fixed the number of directors at seven. The Company's Bylaws further provide for the election of each director at each annual meeting of stockholders.

The persons nominated have been nominated for election to the Board to serve until the next annual meeting of stockholders and until their respective successors have been elected and qualified. All director-nominees are currently directors of the Company and have indicated their willingness to serve. Unless otherwise instructed, proxies will be voted in such a way as to elect as many of these director-nominees as possible under applicable voting rules. In the event that any of the director-nominees should be unable or unwilling to serve as a director, the proxy will be voted for the election of such substitute director-nominees, if any, as shall be designated by the Board. The Board has no reason to believe that any director-nominee will be unable or unwilling to serve. The seven nominees who receive the highest number of affirmative votes will be elected.

None of the director-nominees was selected pursuant to any arrangement or understanding, other than that with the directors of the Company acting within their capacity as such. There are no family relationships among directors of the Company as of the date hereof, and, except as set forth below, as of the date hereof, no directorships are now, or in the past five years have been, held by any director in a company that has a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940.

The following table sets forth certain biographical information concerning the director-nominees of the Company as of the Record Date:

<b>Director-nominees</b>	<b>Age</b>	<b>Position with the Company</b>	<b>Director Since</b>
Raymond Soong	69	Director and Chairman of the Board	1993
C.H. Chen	67	Director and Vice Chairman of the Board	2000
Michael R. Giordano	64	Director	1990
L.P. Hsu	71	Director	2007
Keh-Shew Lu	64	President, Chief Executive Officer, and Director	2001
John M. Stich	69	Director	2000
Michael K.C. Tsai	57	Director	2010

**Raymond Soong** *Director and Chairman of the Board*

Chair, Compensation Committee

Chair, Governance and Stockholder Relations Committee

Member, Risk Oversight Committee

Mr. Soong was appointed the Chairman of the Board of the Company in 1993. Mr. Soong is also the Chairman of the Board of LSC, Lite-On Technology Corporation and Liteon-IT Corp., and a board member of Actron Technology Corporation and Co-Tech Copper Foil Corporation, each of which is a member or an affiliate of the Lite-On Group. In 1975, after serving as a senior engineer for RCA Corporation and as a chief engineer for Texas Instruments, Taiwan Limited ( TI Taiwan ), Mr. Soong, together with several of his co-workers, founded Taiwan Lite-On Electronic Co. Ltd. ( Taiwan Lite-On ), a manufacturer of electronic components and subsystems. Mr. Soong is a graduate of, and received an Honorary Doctorate from, the National Taipei University of Technology's Electronic Engineering Department and also received an Honorary Doctorate from National Chiao Tung University.

As Chairman of the Boards of LSC, Lite-On Technology Corporation and Liteon-IT Corp., Mr. Soong has significant board experience, which provides him valuable insight on Board management. With his background in the semiconductor industry as a senior engineer for RCA Corporation and as a chief engineer for TI Taiwan, Mr. Soong also brings extensive experience and knowledge of the semiconductor industry to the Board.



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**C.H. Chen** *Director and Vice Chairman of the Board*

Chair, Risk Oversight Committee

Mr. Chen was appointed the Company's Vice Chairman of the Board in June 2005. Mr. Chen is also the Chairman of the Board of Co-Tech Copper Foil Corporation, Chairman of the Board of On-Bright Electronic Inc., Vice Chairman of the Board of LSC, Lite-On Technology Corporation and Dynacard Corporation, and a board member of Actron Technology Corporation, each of which is a member or an affiliate of the Lite-On Group. Mr. Chen is also a board member of Kwong Lung Enterprise Co. Mr. Chen served as the Company's President and Chief Executive Officer from 2000 until 2005. From 1969 to 1990, Mr. Chen held various positions at Texas Instruments Incorporated (TI), most recently as the Vice President of TI Taiwan. In 1990, he left TI to found Dyna Image Corporation, which merged with LSC in 2000. Mr. Chen received his Bachelor of Science degree in Mechanical Engineering from National Taiwan University.

Mr. Chen has extensive experience in the semiconductor industry, particularly in Asia, including as a director of several Asian semiconductor companies. This experience provides the Board with a valuable perspective on the current and future trends and challenges in the semiconductor industry in Asia. As the Company's former President and Chief Executive Officer, Mr. Chen's deep understanding of the Company enables him to provide practical advice to the Board.

**Michael R. Giordano** *Director*

Chair, Audit Committee (Financial Expert)

Mr. Giordano, CIMA, joined the private-banking firm of UBS Financial Services, Inc. as Senior Vice President-Investment Consulting when UBS AG acquired PaineWebber, Inc. in 2000. PaineWebber, Inc. had acquired his previous employer, Kidder Peabody and Co., Inc., with whom he was employed since 1979. Mr. Giordano advises corporations, foundations, trusts, and municipal governments in investments and finance. Mr. Giordano also served as Chairman of the Board and the Chief Executive Officer of the Leo D. Fields Co. from 1980 to 1990, when GWC Holdings acquired it, and, from 2001 to 2003, served as a board member of Professional Business Bank, a publicly traded corporation. Formerly a captain and pilot in the United States Air Force, Mr. Giordano received his Bachelor's degree in Aerospace Engineering from California State Polytechnic University and his Master's degree in Business Administration (Management and Finance) from the University of Utah. Mr. Giordano also completed post-graduate work in International Investments at Babson College and is certified by the Investment Management Consultants Association. He is also certified by the John E. Anderson Graduate School of Management, University of California at Los Angeles as a Corporate Director, having demonstrated understanding of directorship and corporate governance.

Mr. Giordano is an experienced leader who has worked in the financial sector for more than 31 years and possesses the skills necessary to lead the Company's Audit Committee. As Senior Vice President-Investment Consulting with UBS Financial Services, Inc. and since 1979, he has advised numerous public and private, profit and non-profit organizations in investments and finance. Mr. Giordano's experience provides the Board with a wealth of knowledge in financial and accounting matters.

**Table of Contents****L.P. Hsu** *Director*

Member, Audit Committee

Member, Compensation Committee

Mr. Hsu has been Chairman of Philips Taiwan Quality Foundation since 2002, a board member of Winbond Electronics Corporation since 1999 and a board member of Vanguard International Semiconductor Corporation since 2003. He also currently serves as a consultant to Lite-On Technology Corporation and a supervisor member of Nuvoton Technology Corporation. Previously, he served as a board member of ZyXEL Communications Corporation from 2006 to 2009, a board member of Lite-On Technology Corporation from 2004 to 2006, the Supervisor of the Board at Delta Electronics from 2000 to 2003 and the Vice Chairman and board member at HannStar Display from 1998 to 2000. He also served as the Chief Executive Officer of HannStar Display in 2001, a board member of Taiwan Semiconductor Manufacturing Company Ltd. from 1991 to 2000 and the Executive Vice President of Philips Taiwan Limited from 1989 to 1998. Since 1998, Mr. Hsu has been an Esteemed Chair Lecturer and Adjunct Professor at the College of Management at National Chiao-Tung University in Taiwan, where he served as Associate Professor from 1971 to 1972. Mr. Hsu completed the International Executive Program at International Institute for Management Development (IMD) and the Advanced Management Program at Harvard Business School and holds a Bachelor's degree in Physics from National Cheng Kung University in Taiwan.

Having served as a senior executive at several technology companies, including as Chief Executive Officer of HannStar Display and Executive Vice President of Philips Taiwan Limited, Mr. Hsu has the experience to offer valuable insight to the Board on operational issues. Through his past and present services as a board member of several technology companies, including Taiwan Semiconductor Manufacturing Company Ltd., Lite-On Technology Corporation and Winbond Electronics Corporation, Mr. Hsu also has an understanding of the role of the Board in properly governing the Company. Having an extensive background in teaching business management at the National Chiao-Tung University in Taiwan, Mr. Hsu provides the Board with a rich knowledge of business management concepts and techniques.

**Keh-Shew Lu** *Director, President and Chief Executive Officer*

Member, Risk Oversight Committee

Dr. Lu was appointed President and Chief Executive Officer of the Company in June 2005 after serving on the Board since 2001. Dr. Lu is also a board member of Lite-On Technology Corporation, Nuvoton Technology Corporation and RAE Systems Inc., three publicly held companies, as well as LedEngin, Inc. and Lorentz Solution, Inc., both privately held companies. Dr. Lu is the founding Chairman of the Asia American Citizens Council, the Vice Chairman of the governing board of the Plano Chinese Alliance Church, a board member of the Texas Tech Foundation and a board member of the Advisory Board to the Southern Methodist University's Asian Studies Program. From 2001 to 2005, Dr. Lu was a partner of the WK Technology Venture Fund. From 1998 to 2001, Dr. Lu served as Senior Vice President of TI and General Manager of Worldwide Mixed-Signal and Logic Products. His responsibilities included all aspects of the analog, mixed-signal and logic products for TI worldwide business, including design, process and product development, manufacturing and marketing. From 1996 to 1998, Dr. Lu was the manager of TI's worldwide memory business. In addition, he served as the President of TI Asia from 1994 to 1997 where he supervised all of TI activities in Asia, excluding Japan. Dr. Lu holds a Bachelor's degree in Electrical Engineering from the National Cheng Kung University in Taiwan, and a Master's degree and a Doctorate in Electrical Engineering from Texas Tech University.

Having worked in the semiconductor industry for more than 37 years and, particularly, having served in various managerial and senior executive capacities at TI, Dr. Lu possesses a wealth of semiconductor management experience. Dr. Lu also is very knowledgeable in the role and function of the Board as a result of serving for many years as a board member of several public and private companies. Since becoming the President and Chief Executive Officer of the Company, Dr. Lu has directed the Company's expansion through profitable growth and acquisitions, growing revenue and stockholders' equity from \$215 million and \$226 million, respectively, in 2005 to \$613 million and \$541 million, respectively, in 2010.

**Table of Contents****John M. Stich** *Director*

Member, Audit Committee

Member, Governance and Stockholder Relations Committee

Mr. Stich served as a board member of Spansion, Inc., a flash memory company, and as the chairman of the audit committee, a member of the nominating and corporate governance committee and a member of the compensation committee of that company from 2006 to 2010. He also serves in numerous non-profit organizations, including as a board member of the Japan America Society of Dallas/Fort Worth, a member of the Asian Studies Program Advisory Council at Southern Methodist University, a member of the Consular Corps of Dallas/Fort Worth, and a member of the Dallas-Taipei and Dallas-Sendai Sister City Committees. Mr. Stich was appointed as the Honorary Consul General of Japan at Dallas in 2004. From 2000 to 2006, he was the President and Chief Executive Officer of The Asian Network, a consulting business that helped high-technology companies establish and expand their business in Asia. Prior to this position, Mr. Stich was the Chief Marketing Officer for TI in Japan from 1994 to 1999, and Vice President of Semiconductors for TI Asia from 1991 to 1994. Mr. Stich joined TI in 1964 and has served in various management positions, including 24 years leading TI's Asian business growth while living in Taipei, Hong Kong and Tokyo. Mr. Stich received his Bachelor's degree in Electrical Engineering from Marquette University.

With decades of managerial experience at TI, primarily in semiconductor industry, Mr. Stich brings to the Board demonstrated management skills at senior levels. His position as the President and Chief Executive Officer of The Asian Network and his position as the Chief Marketing Officer for TI in Japan and Vice President-Semiconductors for TI Asia give Mr. Stich critical insight into marketing and product management of semiconductor products in Asia. He has served on the Board and the Audit Committee of the Company for the past ten years. In addition, with service as chairman of the audit committee, as well as a member of both the nominating and corporate governance committee and the compensation committee, at Spansion Inc., Mr. Stich possesses valuable experience in accounting principles, financial reporting rules and regulations, corporate governance and director and executive compensation.

**Michael K.C. Tsai** *Director*

Member, Compensation Committee

Member, Governance and Stockholder Relations Committee

Mr. Tsai has been a director of Powerchip Semiconductor Corp. since 1994 and its vice chairman since 2003. He also has been the chairman of the board of Maxchip Electronics Corp. since 2008, and currently serves as the chairman of the board of uPI Semiconductor Corp. and Ubiq Semiconductor Corp. From 1991 to 1994, Mr. Tsai was the chairman of the board and the Chief Executive Officer of Elitegroup Computer Systems, Inc. From 1990 to 1994, he served as a board member and an investor representative of Tailink Venture Corp. He was the President and Chief Executive Officer of Esprit Systems, Inc. from 1989 to 1990. He held numerous executive positions in sales, marketing, planning and general management with the Acer Group from 1978 to 1988. Mr. Tsai began his career as an electronic design engineer with Tatung Corp. in 1977. Mr. Tsai received his Bachelor's degree in Control Engineering and Computer Science in 1975 from National Chiao-Tung University in Taiwan.

Mr. Tsai's decades of experience serving on the boards of numerous technology and semiconductor companies, and holding various management positions in companies in the technology and semiconductor industry, provide an insightful view of the semiconductor industry to the Board. Mr. Tsai also brings a range of boardroom experience and corporate governance knowledge to further strengthen the operation of the Board.

See "Security Ownership of Certain Beneficial Owners and Management and Corporate Governance - Certain Relationships and Related Transactions" for a discussion of the relationships among Actron Technology Corporation, Co-Tech Copper Foil Corporation, Lite-On Technology Corporation, LSC, Liteon-IT Corp., and the Company.

**The Board unanimously recommends that you vote FOR each of the seven director-nominees to the Board set forth above.**

**Table of Contents****CORPORATE GOVERNANCE****Committees of the Board**

The Board has four standing committees: the Audit Committee, the Compensation Committee, the Governance and Stockholder Relations Committee and the Risk Oversight Committee (the Committees). Each committee consists of two or more directors who serve at the discretion of the Board. The Board usually makes committee and committee chair assignments annually at its meeting immediately following the Company's annual meeting of stockholders. The current composition of each committee is as follows:

<b>Directors</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Governance and Stockholder Relations Committee</b>	<b>Risk Oversight Committee</b>
Raymond Soong <sup>(1)</sup>		Chair	Chair	Member
C. H. Chen <sup>(1)</sup>				Chair
Michael R. Giordano <sup>(1)</sup>	Chair <sup>(2)</sup>			
L.P. Hsu <sup>(1)</sup>	Member	Member		
Keh-Shew Lu				Member
John M. Stich <sup>(1)</sup>	Member		Member	
Michael K.C. Tsai <sup>(1)</sup>		Member	Member	

- (1) Independent director (as determined by the Board under the rules of Nasdaq and, in the case of members of the Audit Committee, the rules of the SEC).
- (2) Qualifies as audit committee financial expert as the term is defined in Item 407(d)(5) of Regulation S-K promulgated under the Exchange Act.

**Director Independence.** The Board has determined that six of the seven current directors are independent directors as shown in the above table, and as the term independent director is defined under the rules of Nasdaq. The Board also has determined that each member of its Audit Committee, Compensation Committee and Governance and Stockholder Relations Committee meets applicable independence requirements as prescribed by Nasdaq and the SEC.

**Audit Committee.** The Audit Committee makes recommendations to the Board regarding the engagement of the Company's independent registered public accounting firm, reviews the plan, scope and results of the audit, reviews the Company's policies and procedures with the Company's management concerning internal accounting and financial controls, and reviews changes in accounting policy and the scope of the non-audit services, which may be performed by the Company's independent registered public accounting firm. The Audit Committee also monitors policies to prohibit unethical, questionable or illegal activities by the Company's employees. The Audit Committee Report section of this Proxy Statement describes in more detail the Audit Committee's responsibilities, particularly with regard to the Company's financial statements and its interactions with the Company's independent registered public accounting firm.

The Board has determined that each member of the Audit Committee is independent, as that term is defined under the rules of Nasdaq and the SEC, and is able to read and understand fundamental financial statements. The Board also has determined that Mr. Giordano qualifies as an audit committee financial expert as defined under the rules of the SEC.

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**Compensation Committee.** The Compensation Committee makes recommendations to the Board regarding compensation, benefits and incentive arrangements for the Chief Executive Officer and other officers and key employees of the Company. The Compensation Committee also administers the Company's 1993 Incentive Stock Option Plan ( 1993 ISO Plan ), the 1993 Non-Qualified Stock Option Plan ( 1993 NQO Plan ), the 2001 Omnibus Equity Incentive Plan ( 2001 Incentive Plan ) and the Company's 401(k) profit sharing plan (the 401(k) Plan ). The Board has determined that each member of the Compensation Committee is independent as that term is defined under the rules of Nasdaq.

**Governance and Stockholder Relations Committee.** The principal purposes of the Governance and Stockholder Relations Committee (the Governance Committee ) are to help ensure that the Board (i) identifies individuals qualified to become members of the Board, consistent with criteria approved by the Board, and (ii) selects the director-nominees for the next annual meeting of stockholders. The Board has determined that each member of the Governance Committee is independent as that term is defined under the rules of Nasdaq.

**Risk Oversight Committee.** The Risk Oversight Committee assists the Board in overseeing the Company's risk management process by (i) overseeing the Company's efforts to align its management of risks with its strategic objectives, (ii) overseeing the establishment and implementation of a risk oversight framework, and (iii) reviewing the effectiveness of the risk oversight framework in the identification, assessment, monitoring, management and disclosure of significant risks. The Risk Oversight Committee's assistance provides a reasonable assurance that processes are in place to identify, assess, monitor, manage and disclose risks that may have a material adverse effect on the achievement of the Company's strategic objectives.

**Charters of the Committees.** All four Committees operate pursuant to written charters, which are available on the Company's Investor Relations website, at [www.diodes.com](http://www.diodes.com), in the Investors Corporate Governance section.

**Meetings of the Board and Committees**

The following table represents the number of meetings and actions taken by written consent of the Board and committees in 2010:

	<b>Meetings Held</b>	<b>Action by Written Consent</b>
Board	4	8
Audit Committee	6	2
Compensation Committee	3	2
Governance Committee	2	1
Risk Oversight Committee	2	1