



**CITY OF PLANO
COUNCIL AGENDA ITEM**

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		4/25/11		
Department:		Finance		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): Katherine Crumbley - 7479				
CAPTION				
<p>A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of an Economic Development Incentive Agreement by and between Diodes Incorporated and the City of Plano; terminating a prior Tax Abatement Agreement and Economic Development Incentive Agreement between Diodes Incorporated and the City of Plano; and authorizing its execution by the City Manager or his authorized designee; and providing an effective date.</p>				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2010-11	Prior Year (CIP Only)	Current Year	Future Years
				TOTALS
Budget		0	12,179,503	0
Encumbered/Expended Amount		0	-2,878,500	-5,640,500
This Item		0	-105,600	-194,400
BALANCE		0	9,195,403	-5,834,900
FUND(S): ECONOMIC DEVELOPMENT FUND				
COMMENTS: Strategic Plan Goal: Providing economic development incentives relates to the City's goal of strong local economy				
SUMMARY OF ITEM				
<p>This resolution terminates a prior Tax Abatement and a prior Economic Development Incentive Agreement with Diodes Incorporated and also approves the terms and conditions of a new Economic Development Incentive Agreement. Diodes Incorporated requests incentives to relocate its business and commercial activities to the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values to the City. Diodes Incorporated agrees to occupy not less than 41,000 square feet and agrees to retain, transfer or create 88 full time jobs by 6/30/11. Diodes Incorporated has the option to increase that number up to an additional 162 jobs by 12/31/2014.</p>				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Economic Development Incentive Agreement				

A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of an Economic Development Incentive Agreement by and between Diodes Incorporated and the City of Plano; terminating a prior Tax Abatement Agreement and Economic Development Incentive Agreement between Diodes Incorporated and the City of Plano; and authorizing its execution by the City Manager or his authorized designee; and providing an effective date.

WHEREAS, the City Council has been presented a proposed Economic Development Incentive Agreement by and between Diodes Incorporated and the City of Plano to replace the prior Economic Development Incentive Agreement for the purpose of the Company's relocation as further explained herein, a substantial copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Replacement Agreement"); and

WHEREAS, City Council approved a prior Tax Abatement Agreement for Company's relocation to the southwest corner of Communications Parkway and Legacy Drive by Resolution No. 2008-6-10(R) as further amended by Resolution Nos. 2009-2-5(R) and 2010-1-8(R) respectively; and

WHEREAS, City Council approved a prior Economic Development Incentive Agreement for Company's relocation to the southwest corner of Communications Parkway and Legacy Drive by Resolution No. 2008-6-11(R) as further amended by Resolution Nos. 2009-2-4(R) and 2010-1-9(R); and

WHEREAS, Company and City find it is in the best interest of both parties to terminate the above referenced Tax Abatement Agreement and Economic Development Incentive Agreement between Diodes Incorporated and the City of Plano for Company's relocation to the southwest corner of Communications Parkway and Legacy Drive and enter into the Replacement Agreement to reflect Company's revised relocation to 4949 Hedgcoxe Road, Suite 200, Plano, Texas 75024. Due to the downturn in the economy, Company decided to move to an existing building within the City rather than construct a new building at the southwest corner of Communications Parkway and Legacy Drive as originally planned; and

WHEREAS, upon full review and consideration of the Replacement Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager or his authorized designee shall be authorized to execute it on behalf of the City of Plano.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The City Council approves and agrees to the termination of the Economic Development Incentive Agreement between Diodes Incorporated and the City of Plano approved by Resolution No. 2008-6-11(R) as further amended by Resolution Nos. 2009-2-4(R) and 2010-1-9(R) and it is in all things hereby terminated with no further obligations of the parties.

Section II. The City Council further approves and agrees to the termination of the Tax Abatement Agreement between Diodes Incorporated and the City of Plano approved by Resolution No. 2008-6-10(R) as further amended by Resolution Nos. 2009-2-5(R) and 2010-1-8(R) and it is in all things hereby terminated with no further obligations of the parties.

Section III. The terms and conditions of the Replacement Agreement, attached hereto as Exhibit "A", having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

Section IV. The City Manager or his authorized designee is hereby authorized to execute the Replacement Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

Section V. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 25th day of April, 2011.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Plano, Texas (the “City”), and Diodes Incorporated, a Delaware corporation, (“Company”), acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS, Company is engaged in the business of manufacturing and selling discrete, logic and analog semiconductor devices and plans to add \$700,000.00 of real property improvements and \$4,000,000.00 of business personalty at 4949 Hedgcoxe Road, Suite 200, Plano, Texas 75024 (the “Real Property”); and

WHEREAS, City Council approved a prior tax abatement agreement for Company’s relocation to the southwest corner of Communications Parkway and Legacy Drive by Resolution No. 2008-6-10(R) as further amended by Resolution Nos. 2009-2-5(R) and 2010-1-8(R) respectively; and

WHEREAS, City Council approved a prior economic development incentive agreement for Company’s relocation to the southwest corner of Communications Parkway and Legacy Drive by Resolution No. 2008-6-11(R) as further amended by Resolution Nos. 2009-2-4(R) and 2010-1-9(R); and

WHEREAS, Company and City agree to terminate the above referenced tax abatement and economic incentive agreements between Company and City for Company’s relocation to the southwest corner of Communications Parkway and Legacy Drive and enter into the herein economic incentive agreement to reflect Company’s revised relocation to 4949 Hedgcoxe Road, Suite 200, Plano, Texas 75024. Due to the downturn in the economy, Company decided to move to an existing building within the City rather than construct a new building at the southwest corner of Communications Parkway and Legacy Drive as originally planned; and

WHEREAS, Company agrees to own and/or occupy 41,000 square feet of “ Real Property” in the City and transfer, retain or create up to 250 Job Equivalents to Company’s business space to be located on the Property for the term of this Agreement; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to maintain its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

WHEREAS, the City Council finds that the ownership and/or occupancy of 41,000 square feet of “Real Property”, and the retention, creation or transfer of up to 250 Job Equivalents within the City will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

WHEREAS, the City has adopted programs for promoting economic development; and

WHEREAS, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Company” shall mean Diodes Incorporated

“Effective Date” shall mean the last date on which all of the parties hereto have executed this Agreement.

“Event of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly and significantly impact the Company’s operations in the City. An economic down turn shall not constitute an event of force majeure.

“Job Equivalent” shall mean one or more Company employees, whether individual or combined with other employees, who are located at the Real Property, and each Job Equivalent is paid a total 2080 hours annually and issued an Internal Revenue Service W-2 form by the Company.

“Real Property” shall mean 4949 Hedgcoxe Road, Suite 200, Plano, Texas 75024.

Article II Term

The term of this Agreement shall begin on the Effective Date and continue until June 30, 2021 unless sooner terminated as provided herein.

Article III Obligations of Company

In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to perform the following:

- (a) On or before June 30, 2011, own and/or occupy not less than 41,000 square feet of the Real Property throughout the term of the Agreement; and,
- (b) Retain, create or transfer at least 88 Job Equivalents to Company's business space to be located at the Real Property by June 30, 2011 and at Company's option create up to a total of 162 additional Job Equivalents on or before December 31, 2014 and maintain those Job Equivalents on the Real Property throughout the Agreement. The specific schedule for the Job Equivalents is set out in 4.02; and,
- (c) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's business activities, at facilities located in the City.

Article IV Economic Development Grant

4.01 **Grant.** The City agrees to provide the Company a cash grant up to Three Hundred Thousand Dollars (\$300,000.00) as long as Company meets each of the obligations set out in Article III above and complies with the certification schedule and requirements set out in 4.02 below.

4.02 **Grant Payment Requirements and Schedule** Except as otherwise indicated, the Company shall be entitled to the grant award in accordance with the following requirements and schedule:

(a)(i) By June 30, 2011, the Company shall own and/or occupy not less than 41,000 square feet of the Real Property and have at least 88 Job Equivalents at Company's business space located at the Real Property to be eligible to receive the initial payment of One Hundred Five Thousand Six Hundred Dollars (\$105,600.00). The payment will not be pro-rated. Company must submit the initial certification form attached hereto as Exhibit "A" verifying compliance with the obligations set forth in this provision not later than September 30, 2011. A failure to provide such certification by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the entire grant.

City will make the first payment of One Hundred Five Thousand Six Hundred Dollars (\$105,600.00) within thirty (30) days of receipt of the initial certification unless the City reasonably objects to the certification.

(ii) If Company adds up to an additional 162 Job Equivalents to the existing initial 88 Job Equivalents to their business space located at the Real Property by December 31, 2014 so that the total potential number of Job Equivalents at Company's business space located at the Real Property is 250, the Company is entitled to a final payment of up to One Hundred Ninety Four Thousand Four Hundred Dollars (\$194,400.00). This amount will be pro-rated at One Thousand Two Hundred Dollars (\$1,200.00) per Job Equivalent for each Job Equivalent added by Company over the initial 88 Job Equivalents and up to 162 additional Job Equivalents for a total of up to 250 Job Equivalents. Company must have complied with 4.02(a)(i) above and have added up to an additional 162 Job Equivalents to receive this portion of the grant award. Company shall not receive any payment for Job Equivalents added after December 31, 2014. Company must submit its second certification verifying compliance with this provision on the form attached as Exhibit "B" not later than March 31, 2015. A failure to provide such certification by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the remaining outstanding grant.

City will make the final payment not to exceed One Hundred Ninety Four Thousand Four Hundred Dollars (\$194,400.00) within thirty (30) days of receipt of Exhibit "B" certification unless the City reasonably objects to the certification. Total amount of the grant payments shall not exceed Three Hundred Thousand Dollars (\$300,000.00).

(b) Additionally, Company must submit an annual certification on the form attached hereto as Exhibit "C" not later than January 31 of each year for the duration of this Agreement verifying compliance with Article III above. The certification must be based upon the number of Job Equivalents for which the Company has received a grant. A failure to file the annual certification by the January 31 deadline during the term of the Agreement shall result in a default and a right to a full refund of all grant amounts previously paid as set out in 4.03.

(c) All certifications must be verified by the Company's Chief Executive Officer or Chief Financial Officer.

4.03 **Refund/Default**

(a) If following the receipt of a grant payment, the Company fails to meet the required number of Job Equivalents for more than one hundred and eighty (180) consecutive days at any time during the term of this Agreement and the loss is not the result of an Event of Force Majeure, the Company shall refund to the City an amount equal to One Thousand Two Hundred Dollars (\$1,200.00) for each lost Job Equivalent. For the purposes of determining whether the City is due a refund under this section, the Company shall certify to the City as set out in Section 4.02 above the actual number of Job Equivalents at the Real Property for the compliance period using the forms attached as Exhibits "B" & "C". All refunds under this Agreement shall be due within thirty (30) days of written demand for payment. A failure to make the refund payment within thirty (30) days shall constitute an event of default. If a refund is due for one or more Job

Equivalents, Company is not entitled to any future payment for that lost Job Equivalents, notwithstanding that the Company subsequently complies with the Job Equivalent requirements of this Agreement.

(b) If the Company defaults on the payment of any refund or fails to provide any annual certification, the full amount of the grant(s) paid shall be refunded by Company to the City. City may use any efforts to collect such sum(s) owed and Company agrees to pay any and all interest, and expenses, including attorney fees and costs incurred by City. This obligation shall survive termination of this Agreement.

(c) At any time during the term of this Agreement the Company is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers, the Company shall reimburse the City all grant funds paid pursuant to this Agreement, together with interest charged from the date of payment of the grant funds at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty. Repayment of grant funds and interest shall be due not later than one hundred and twenty (120) days after the date the City notifies the Company of the conviction.

Article V Termination

5.01 This Agreement terminates upon any one or more of the following:

(a) By expiration of the term and where no defaults have occurred;

(b) If a party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, damages and/or expenses shall survive the termination of the Agreement.

The City Manager is authorized on behalf of the City to send notice of default and to terminate this Agreement for any default that is not cured.

5.02 **Effect of Termination/Survival of Obligations**. The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

Article VI Retention and Accessibility of Records

6.01 Company shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. Company shall retain such records, and

any supporting documentation for the greater of: (1) Five [5] years from the end of the Agreement period; or (2) the period required by other applicable laws and regulations.

6.02 Company gives City, its designee, or any of their duly authorized representatives, access to and the right to examine relevant books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or personal and real property belonging to or in use by Company pertaining to the economic development incentive grant (the "Records") upon receipt of ten (10) business days prior written notice from the City and upon City signing a non-disclosure agreement with the Company pertaining to non-disclosure of these Records. The City's access to Company's books and records will be limited to information needed to verify that Company is and has been complying with the terms of this Agreement. Except as required by law, all information accessed by City shall be kept confidential except such specified information, which City received a prior written consent from the Company to disclose. In no event shall City's access to Company's Records include any access to any personal and/or medical data of any employees of Company except to confirm payroll information compliance for Job Equivalents. Company shall not be required to disclose to the City any information that by law Company is required to keep confidential. Should any good faith dispute or question arise as to the validity of the Records provided, the City reserves the right to require Company to obtain an independent firm to certify such Records. This certified statement by an independent firm shall be provided at the sole cost of Company. The rights to access the Records shall terminate five (5) years after the termination or expiration of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for in Section 5 above, or any portion thereof, for reason of default. All Records shall be retained by Company for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquires and open record requests are completed. Company agrees to maintain the Records in an accessible location.

Article VII Assignment

7.01 **Assignment.** This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent (a) to one of its wholly owned affiliates, or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the prior paragraph, the Company must obtain the prior approval of the City through its City Manager and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City.

Article VIII Miscellaneous

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority act on behalf of the other party under any circumstances by virtue of this Agreement.

8.01.1 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide a written notice to the City within three (3) business days of such event.

8.02 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

8.03 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:
City of Plano, Texas
Attention:
City Manager
1520 Avenue K
P.O. Box 860358
Plano, Texas 75086-0358

With a copy to:
City of Plano, Texas
Attention:
City Attorney
1520 Avenue K
P. O. Box 860358
Plano, Texas 75086-0358

If intended for the Company before occupancy:

Richard D. White
Chief Financial Officer
Diodes Incorporated
15660 Dallas Parkway, Suite 850
Dallas, Texas 75248

If intended for the Company after occupancy:

Richard D. White
Chief Financial Officer
Diodes Incorporated
4949 Hedgcoxe Road, Suite 200
Plano, Texas 75024

8.04 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement.

8.05 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.06 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.07 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

8.08 **Recitals.** The recitals to this Agreement are incorporated herein.

8.09. **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.

8.10 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

EXECUTED on this _____ day of _____, 20__.

ATTEST:

CITY OF PLANO, TEXAS, a home rule
municipal corporation

Diane Zucco, CITY SECRETARY

By:

Bruce D. Glasscock, CITY MANAGER

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

ATTEST:

Diodes Incorporated

Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "A"

INITIAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that Diodes Incorporated has owned and/or occupied 41,000 square feet of commercial space and retained, transferred or added at least 88 Job Equivalent positions to Company's business space at the Real Property by June 30, 2011 and is in compliance with the Agreement and is entitled to receive payment in accordance with Section 4.02 (a)(i) of that Agreement. The actual number of job equivalents is _____.

- _____ b. I hereby certify that Diodes Incorporated has failed to own and/or occupy 41,000 square feet of commercial space and failed to retain, transfer or add at least 88 Job Equivalent positions to Company's business space at the Property by June 30, 2011 and is not in compliance with the Agreement and is not entitled to receive payment in accordance with Section 4.02 (a)(i) of that Agreement. The actual number of job equivalents is _____.

ATTEST:

**Diodes Incorporated,
a Delaware Corporation**

By: _____
Name: _____
Chief Financial Officer

Date

This Certification is due by September 30, 2011.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, Texas 75086-0358

EXHIBIT "B"

CERTIFICATE OF COMPLIANCE FOR FINAL GRANT PAYMENT

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that Diodes Incorporated has retained, transferred or added up to 162 additional Job Equivalents to the existing initial 88 Job Equivalents at Company's business space located at the Real Property by December 31, 2014 and is in compliance with all terms of the Agreement and is entitled to receive payment in accordance with Section 4.02 (a)(ii). The actual number of Job Equivalents is _____ .

- _____ b. I hereby certify that Diodes Incorporated has not retained, transferred or added up to 162 additional Job Equivalents to the existing initial 88 Job Equivalents at Company's business space located at the Real Property by December 31, 2014 pursuant to the Agreement. The actual number of Job Equivalents is _____ . I further certify that the City of Plano is not required to pay an additional payment to Diodes Incorporated and has been refunded any appropriate amounts as required by Section 4.03 of the Agreement.

ATTEST:

**Diodes Incorporated
a Delaware Corporation**

By: _____
Name: _____
Chief Financial Officer

Date

This form is due by March 31, 2015.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, Texas 75086-0358

EXHIBIT "C"

ANNUAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

_____ a. I hereby certify that Diodes Incorporated is in compliance with each applicable term as set forth in the Agreement and the transferred or retained number of Job Equivalents has not fallen below the number for which Diodes Incorporated has received a grant payment in accordance with the terms and conditions set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____.

_____ b. I hereby certify that Diodes Incorporated is not in compliance with each applicable term as set forth in the Agreement and the transferred or retained number of Job Equivalents has fallen below the number for which Diodes Incorporated has received a grant payment in accordance with the terms and conditions set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____. I further certify that the City of Plano has been refunded the appropriate amount as required by Article IV, Section 4.03 of the Agreement.

ATTEST:

**Diodes Incorporated,
a Delaware Corporation**

By: _____
Name: _____
Chief Financial Officer

Date

NOTE:

This form is due by January 31 of each year and as long as this Agreement is in effect with the final annual certification due on January 31, 2021.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, Texas 75086-0358