

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

**April 1, 2013
Date of Report (Date of earliest event reported)**

DIODES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

002-25577
(Commission
File Number)

95-2039518
(I.R.S. Employer
Identification No.)

4949 Hedgcoxe Road, Suite 200
Plano, Texas
(Address of principal executive offices)

75024
(Zip Code)

(972) 987-3900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Confirmation Agreement

A purported stockholder derivative action, *Scherer v. Keh-Shew Lu*, Civil Action No. 1:13-cv-00358-UNA (D. Del. filed Mar. 5, 2013) against Diodes Incorporated (the “Company”) and its directors alleges, among other things, that the Company awarded stock options to Dr. Keh-Shew Lu, its President and Chief Executive Officer, in 2009, 2010, 2011 and 2012 that exceeded the limitation on the number of shares of the Company’s Common Stock that may be purchased upon the exercise of options granted to any person in any given year under the Diodes Incorporated 2001 Omnibus Equity Incentive Plan as amended by the shareholders on May 28, 2009.

The Compensation Committee of the Board of Directors reviewed the grants of stock options to Dr. Lu in 2009, 2010, 2011 and 2012 (each such annual grant, an “Option Grant”), and approved a Confirmation Agreement in which the Company and Dr. Lu agree and confirm that Dr. Lu will assert no claim that any Option Grant in 2009, 2010, 2011 or 2012 provided for the purchase of more than 100,000 shares of the Company’s Common Stock, and that each Option Grant document be deemed amended to reflect the foregoing 100,000 share limitation. A copy of the Confirmation Agreement between the Company and Dr. Lu is attached hereto as [Exhibit 99.1](#) and is incorporated herein by this reference.

Item 8.01. Other Events.

Corporate Governance Initiatives

The Governance and Stockholder Relations Committee (the “Governance Committee”) of the Board of Directors (the “Board”) is responsible for reviewing developments related to corporate governance and making recommendations to the Board with respect to the Company’s corporate governance policies and practices. Based upon the recommendation of the Governance Committee, the Board has adopted the following policies.

Hedging Policy. On February 22, 2013, the Board amended the Company’s insider trading policy to prohibit all officers, directors and employees of the Company from engaging in any hedging or monetization transactions involving Company securities, including zero cost collars, forward sale contracts, and trading in options, puts, calls, or other derivative instruments related to the Company’s Common Stock.

Pledging Policy. On February 22, 2013, the Board adopted an amendment to the Company’s insider trading policy to prohibit the pledging of the Company’s securities. An exception to this prohibition may be granted where a person wishes to pledge the Company’s securities as collateral for a loan and clearly demonstrates the financial capacity to repay the loan without resorting to the pledged securities. All officers, directors and employees of the Company who wish to pledge the Company’s securities as collateral for a loan must submit a request for approval to the Chief Executive Officer (or in the case of the Chief Executive Officer to the Chief Financial Officer) of the Company at least two weeks prior to the proposed execution of documents evidencing the proposed pledge. There is no assurance that clearance will be granted. Approval will generally not be given if the pledge includes shares of the Common Stock of the Company valued at more than \$100,000. Acquiring shares on margin also is prohibited.

A copy of the insider trading policy, as amended, is attached hereto as [Exhibit 99.2](#).

Stock Ownership Policy for Directors. On February 22, 2013, the Board revised its stock ownership policy previously adopted in 2007 for non-employee directors in order to further align the interests of our directors with the long-term interests of our stockholders. The stock ownership policy provides that all non-employee directors are required to acquire (and thereafter maintain ownership of) a minimum number of shares of Common Stock with a value equal to three times the annual retainer received by them as directors within three years of the later of (1) the adoption of this stock ownership policy or (2) their respective appointment or initial election.

Stock Ownership Policy for Executive Officers. On February 22, 2013, the Board adopted a stock ownership policy for certain of our executive officers in order to further align the interests of our key executive officers with the long-term interests of our stockholders. The stock ownership policy provides that all individuals holding the positions with the Company listed below are required to acquire (and thereafter maintain ownership of) a minimum number of shares of Common Stock with a value equal to the multiple of such executive officer's annual base salary (excluding bonus) within five years of (1) the adoption of this stock ownership policy or (2) their respective appointment (other than a newly-appointed Chief Executive Officer, who has seven years to comply), as follows:

<u>Position</u>	<u>Multiple of Salary</u>
Chief Executive Officer	6 times annual base salary (excluding bonus)
Senior Vice President or Vice President	2 times annual base salary (excluding bonus)

For purposes of this stock ownership policy, stock ownership includes (i) any shares owned by an executive officer or director or his or her immediate family members or held by him or her as part of a tax or estate plan in which the executive officer or director retains beneficial ownership, and (ii) unvested restricted stock or restricted stock units (but not vested or unvested stock options). The value of shares held is calculated once per year, on the last business day of the fiscal year. For purposes of determining compliance with this stock ownership policy, "value" means an assumed per share value based on the closing price of Common Stock on the last business day of the fiscal year. An executive officer or director subject to this stock ownership policy is not required to acquire shares of Common Stock in accordance with this policy if acquisition at such time would result in a violation of the Company's insider trading policy, in which event the executive officer or director is required to comply with this stock ownership policy as soon as reasonably feasible thereafter. A hardship exception is available at the discretion of the Compensation Committee of the Board, but no exceptions have been solicited or granted to date.

If any executive officer or director was determined to own less than the minimum number of shares of Common Stock, such executive officer or director shall have the two open periods after the two subsequent "Blackout Periods" (as defined in the Company's insider trading policy attached as [Exhibit 99.2](#)) to obtain the minimum number of shares of Common Stock.

Stock Retention Policy. On February 22, 2013, the Board adopted a policy on stock retention for executive officers and directors of the Company. In addition to the stock ownership policy described above, each executive officer or director who acquires shares of our Common Stock through the exercise of a stock option shall retain 33% of the "net" shares acquired (i.e., net of the tax impact of the stock option exercise) until the earlier to occur of the first anniversary of the date of exercise or the date the individual ceases to be an executive officer or director. This stock retention policy applies to all stock option grants awarded to executive officers or directors.

For purposes of both the stock ownership policy and the stock retention policy, shares pledged by an executive officer or director will be excluded in determining his or her compliance with both policies.

A copy of both the stock ownership policy and the stock retention policy are attached hereto as [Exhibit 99.3](#).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Confirmation Agreement dated April 1, 2013, by and between Diodes Incorporated and Dr. Keh-Shew Lu
99.2	Insider Trading Policy, as amended, as of February 22, 2013
99.3	Stock Ownership Policy and Stock Retention Policy

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 2, 2013

DIODES INCORPORATED

By /s/ Richard D. White

RICHARD D. WHITE

Chief Financial Officer

CONFIRMATION AGREEMENT

This Agreement is entered into the 1st day of April, 2013, by and between Dr. Keh-Shew Lu (the "Executive Officer") and Diodes Incorporated, a Delaware corporation ("Diodes").

WHEREAS, Diodes on May 28, 2009, May 24, 2010, May 26, 2011 and May 21, 2012 granted the Executive Officer options (each such annual grant, an "Option Grant") to purchase shares of Diodes' Common Stock under the Diodes Incorporated 2001 Omnibus Equity Incentive Plan, as amended;

NOW, THEREFORE, Diodes and the Executive Officer, in consideration of their mutual promises herein, and for no other value paid by either party to the other, do hereby agree and confirm that (1) the Executive Officer will assert no claim that any Option Grant in 2009, 2010, 2011 or 2012 provided for the purchase of more than 100,000 shares of Diodes' Common Stock, and (2) that each respective Option Grant document be deemed amended to reflect the foregoing 100,000 share limitation.

IN WITNESS WHEREOF, Diodes and the Executive Officer have executed this Confirmation Agreement as of the day and year first above written.

DIODES INCORPORATED

By /s/ Richard D. White

RICHARD D. WHITE

Chief Financial Officer

/s/ Dr. Keh-Shew Lu

Dr. Keh-Shew Lu

Insider Trading Policy

(As amended, as of February 22, 2013)

This Policy applies to all officers, directors and employees, (collectively “Employees”) of Diodes Incorporated (the “Company”).

I. GENERAL

It is unlawful for an Employee or any related person to buy or sell securities of the Company while in possession of, or to engage in any other action to take advantage of, or to pass on to others, material, non-public information about the Company obtained in the course of employment. Sales that may be necessary for personal reasons, such as the need to raise money for an emergency, are no exception.

Material Information. Any information that a reasonable investor either:

- Would consider important in a decision to buy, hold or sell the Company’s securities; or
- Would consider to significantly affect the total mix of information available concerning the Company.

In short, any information (whether positive or negative) which could reasonably be expected to affect the price of the Company’s securities is “material.”

Common examples of material information are:

- Earnings information;
- Projections of future earnings or losses;
- A proposed merger, acquisition, tender offer, joint venture or exchange offer;
- A significant purchase or sale of assets or disposition or acquisition of a subsidiary or division;
- Changes in management or control;
- A significant change in sales or backlog of orders;
- A stock buy-back;
- Declaration of a dividend or a change in dividend policy;
- Declaration of a stock split;
- Public or private offering of additional securities, additional borrowings or credit facilities or other financing transactions;
- Significant new products, services or lines of business;
- A significant technological development;
- Financial or liquidity problems;
- A change in auditors or auditor notification that its audit report may not be relied upon;
- Gain or loss of a substantial customer, supplier or contract;
- Significant actions by a regulatory body; or
- Major litigation.

This list is not exclusive. Other information may be material depending upon circumstances.

Non-Public Information. Information is public if it has been announced in such a manner as to provide broad, non-exclusionary public access. In general, only information which has been publicly disclosed through a filing with the Securities and Exchange Commission (the "SEC") or a press release should be considered publicly disclosed.

Twenty-Twenty Hindsight. Securities transactions will be viewed after the fact with benefit of hindsight. Before engaging in any transaction an Employee should carefully consider how regulators and others might view transactions in hindsight.

Transactions by Family Members. Insider trading restrictions apply to immediate family members. Employees are responsible for compliance by their family and personal household.

Tipping Others. Employees must not pass inside information to others. The SEC has imposed penalties on tippers even though they did not profit from trading by persons tipped.

II. OUR POLICY

No Employee shall disclose material, non-public information to anyone (including other employees of the Company), other than those who need to know such information in order for the Company to properly and effectively carry out its business, whether or not such disclosure was intended to influence a purchase or sale of securities.

No Employee shall effect or recommend or influence a transaction in a security of the Company (whether for his or her personal account, the account of the Company or the account of any other person) while in possession of material, non-public information relating to the Company.

If you are uncertain as to whether specific information is material or non-public or have any other question regarding this Policy, you should consult with the Chief Financial Officer of the Company.

This Policy does not prohibit exercise of stock options, but it does apply to the sale of the shares you receive upon exercise of the stock option.

If you obtain material, non-public information concerning another company, such as a customer or supplier of the Company, in the course of your employment, you must treat that information according to the same rules that apply to like information of the Company.

III. BLACKOUT PERIODS

Each "Designated Employee" is subject to additional restrictions in engaging in transactions in securities of the Company. The term "Designated Employee" means each officer and director of the Company, each employee who routinely has access to material, non-public information concerning the Company (including, but not limited to, consolidated financial data) in the ordinary course of their employment and each other Employee expressly designated by the Board of Directors or the Chief Executive Officer from time to time.

No Designated Employee shall effect or recommend or influence a transaction in a security of the Company (regardless whether he or she has material, non-public information) during a "Blackout Period."

"Blackout Periods" are:

- Period starting on the first day of the third month, (March 1, June 1, September 1, December 1) in each calendar quarter and ending two business days after earnings for that quarter have been publicly released (trading can begin on the third day after announcement); and
- Any other period of significant corporate activity designated from time to time by the Company.

This restriction is in addition to the other restrictions set forth in this Policy and applicable to Employees generally.

IV. RULE 10b5-1 TRADING PLAN

Notwithstanding anything to the contrary contained in this Policy, an Employee or Designated Employee may effect transactions in a security of the Company pursuant to a plan which the Chief Financial Officer of the Company has determined meets the requirements of Rule 10b5-1(c) promulgated by the SEC.

V. RSU/RSA LAPSE TRANSACTIONS

Notwithstanding anything to the contrary contained in this Policy, an Employee or Designated Employee may effect transactions in a security of the Company pursuant to a "sell-to-cover" transaction related to a Restricted Stock Unit ("RSU") and/or Restricted Stock Award ("RSA") as long as the transaction is an automatic transaction effected on the lapse date in order to cover tax withholding requirements.

VI. DEFERRED COMPENSATION PLAN TRANSACTIONS

Notwithstanding anything to the contrary contained in this Policy, an Employee or Designated Employee may effect transactions in a security of the Company pursuant to their participation in the Company's Deferred Compensation Plan related to a RSU and/or RSA as long as the transaction is a predetermined automatic transaction effected on the lapse date.

VII. HEDGING POLICY

Hedging and monetization transactions allow a stockholder to lock in much of the value of his or her stockholdings, often in exchange for all or part of the potential upside appreciation in the stock. These transactions allow the stockholder to continue to own the covered securities, but without the full risks and rewards of ownership. When an Employee engages in such a transaction, he or she may no longer have the same objectives as the Company's other stockholders. As a result, Employees of the Company are prohibited from engaging in any hedging or monetization transactions involving Company securities, including zero cost collars, forward sale contracts, and trading in options, puts, calls, or other derivative instruments related to the Company's Common Stock.

VIII. PLEDGING POLICY

Securities held in margin accounts may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material, non-public information or otherwise is not permitted to trade in the Company's securities, such transactions by Employees are prohibited. An exception to this prohibition may be granted where an Employee wishes to pledge the Company's securities as collateral for a loan and clearly demonstrates the financial capacity to repay the loan without resorting to the pledged securities. Any Employee who wishes to pledge the Company's securities as collateral for a loan must submit a request for approval to the Chief Executive Officer (or in the case of the Chief Executive Officer to the Chief Financial Officer) of the Company at least two weeks prior to the proposed execution of documents evidencing the proposed pledge. There is no assurance that clearance will be granted. Approval will generally not be given if the pledge includes shares of the Common Stock of the Company valued at more than \$100,000. Notwithstanding the foregoing, acquiring the Company's securities on margin is prohibited.

IX. CONSEQUENCES OF VIOLATING POLICY

Violations of this Policy will be grounds for discharge or other disciplinary action. The Company will cooperate fully with the SEC and other regulatory authorities in investigating possible violations of this Policy.

Under federal law, penalties for insider trading can be staggering:

For individuals who trade on inside information (or tip others), the SEC may bring an action for:

- A civil penalty of up to three times the profit gained or loss avoided.

In addition, the United States Attorney may seek an indictment for securities fraud with:

- Imprisonment for up to 25 years;
- A substantial criminal fine of up to \$5,000,000; or
- Both.

For a company that fails to take appropriate steps to prevent illegal trading (as well as possibly any supervisory personnel who are involved and fail to take steps to prevent such trading or tipping), SEC may bring an action for:

- A civil penalty of the greater of \$1 million or three times the profit gained or loss avoided.

In addition, the United States Attorney may seek a criminal penalty from the company of:

- Up to \$25,000,000.

In addition:

- An individual may be liable to other persons who purchased or sold securities in the amount of any profit gained or loss avoided; and
- A federal court may enjoin the individual (temporarily or permanently) from serving as an officer or director of a public company; and
- Disclosure of material information could damage the Company's competitive position.

Stock Ownership Policy and Stock Retention Policy

1. Within three years of the later of (1) the adoption of this stock ownership policy or (2) appointment or initial election, each non-employee director shall acquire (and thereafter maintain ownership of) a minimum number of shares of Common Stock with a value equal to three times the annual retainer.
2. Within five years of the later of (1) the adoption of this stock ownership policy or (2) appointment (other than a newly-appointed Chief Executive Officer, who has seven years to comply), each executive officer shall acquire (and thereafter maintain ownership of) shares of Common Stock with a value equal to (1) six times his or her annual base salary (excluding bonus) in the case of the Chief Executive Officer and (2) two times his or her annual base salary (excluding bonus) for any Senior Vice President or Vice President.
3. A hardship exception is available at the discretion of the Compensation Committee.
4. Stock ownership includes (1) any shares owned by an executive officer or director or his or her immediate family or held as part of a tax or estate plan in which he or she retains beneficial ownership, and (2) unvested restricted stock or restricted stock units (but not vested or unvested stock options).
5. The value of shares held is calculated once per year, on the last business day of the fiscal year. For purposes of determining compliance with this stock ownership policy, “value” means an assumed per share value based on the closing price of Common Stock on the last business day of the fiscal year.
6. If any executive officer or director was determined to own less than the minimum number of shares of Common Stock, such executive officer or director shall have the two open periods after the two subsequent “Blackout Periods” (as defined in the Company’s insider trading policy) to obtain the minimum number of shares of Common Stock.
7. An executive officer or director subject to this stock ownership policy is not required to acquire shares of Common Stock in accordance with this policy if acquisition at such time would result in a violation of the Company’s insider trading policy, in which event the executive officer or director is required to comply with this stock ownership policy as soon as reasonably feasible thereafter.
8. Each executive officer or director who acquires shares of Common Stock through the exercise of a stock option shall retain 33% of the “net” shares acquired (i.e., net of the tax impact of the stock option exercise) until the earlier to occur of the first anniversary of the date of exercise or the date the individual ceases to be an executive officer or director. This stock retention policy applies to all stock option grants awarded to executive officers or directors.
9. Shares pledged by an executive officer or director will be excluded in determining his or her compliance with the stock ownership policy and/or the stock retention policy.