

	POLICY	Governance and Corporate Affairs	Policy No. GOV-2018-005	
			Reference: Manual on Corporate Governance	
	TENURE OF INDEPENDENT DIRECTORS		Effective Date as approved by BOD on 02/23/2018	Amended on n/a

1. Purpose

This policy is intended to promote and reinforce independence in the Board and to be consistent with best practices in governance, and in compliance with SEC Memo Circular No. 4 Series of 2017.

2. Scope / Coverage

This policy covers all Independent Directors and its compliance will be observed by the Corporate Governance Committee in particular and the Board of Directors in general.

3. Policy

This policy sets the maximum tenure of service by Independent Directors (ID) at nine (9) years, with year 2012, or the date of commencement of their term (if it is later than January 2012), as reckoning date. The ID may serve as a Non-Executive Director (NED) after his / her term as ID.

4. Guidelines

- 4.1. The Company's Independent Director (ID) shall serve for a maximum cumulative term of nine (9) years;
- 4.2. After which, the ID shall be perpetually barred from re-election as an ID, but may continue to qualify as a non-independent director (Non-ID);
- 4.3. In the instance that the Company wants to retain an ID who has served for more than nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
- 4.4. Reckoning of the cumulative nine-year term is from 2012.
- 4.5. Reference: Securities and Exchange Commission Memo Circular No. 4, Series of 2017 (attached as Annex A).

5. Procedures

- 5.1. The Board of Directors, through the Corporate Governance Committee (CG Comm), shall review the tenure of IDs on an annual basis and deliberate on justification/s; whether to retain the ID as an ID, or to qualify the concerned Director as a non-independent director in an executive or non-executive capacity.
- 5.2. The CG Comm may contact professional search firms to help identify candidates for possible on-boarding as IDs. This exercise may be done when the need arises, i.e. in case of a vacancy for IDs on the Board.

For questions and/or clarifications, please contact Liz Tan or Michelle Hernandez at extension 2111 and 8812, respectively, or email governance@bellec corp.com.