

Subject 2 Independent Directors

As a corporation publicly listed in the Exchange, the Company shall conform with the requirement to have an independent director or such number of independent directors as maybe required by law and its articles of incorporation and by-laws. An independent director provides independent judgment, experience and objectivity.

“Independent Director” means a person who is independent of management and who, apart from his fees and shareholdings, is free from any business or other relationship with the Company which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Company and includes, among other persons, one who:

1. Is not an existing director, officer, executive or employee of the Company or of its related companies or any of its substantial shareholders (other than as an Independent Director of any of the foregoing);
2. Does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders
3. Is not a relative of any director, officer, executive or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders. For this purpose, “relatives” includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;

Is not acting as a nominee or representative of any director, officer, executive or substantial shareholder of the Company, any of its related companies or any of its substantial shareholder;

4. Has not been employed in any executive capacity by the Company, any of its related companies or any of its substantial shareholders within the last two (2) years;
5. Is not retained or, within the last two (2) years, has not been retained as a professional adviser by the Company, any of its related companies or any of its substantial shareholders, either personally or through his firm; or
6. Has not engaged and does not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm’s length and are immaterial.

When used in relation to the foregoing paragraphs, “related company” means another company which is: (a) its holding company, (b) its subsidiary or (c) a subsidiary of its holding company; and “substantial shareholder” means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

Term Limits of Independent Directors

The Board's Independent Directors shall serve for a maximum cumulative term of nine (9) years. After this term, the Independent Director shall be perpetually barred from re-election as such, but may continue to qualify for nomination and election as a non-Independent Director.

In the instance that the Company wants to retain an Independent Director who has already served for nine (9) years, as Independent Director for another year, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

Lead Independent Director

During meetings of the Board, if the Chairman of the Board is not an Independent Director, or if the positions of the Chairman of the Board and Chief Executive Officer are held by one person, whenever the Chairman has clear conflict of interest, he shall abstain from voting on any matter in which he may have conflict of interest and shall designate a lead director among the Independent Directors present to ensure independent views and perspectives. Consequently, the lead Independent Director shall temporarily conduct the business of the Board where the Chairman is in conflict, and perform such other function as may be assigned or delegated by the Chairman.