

**[SBMA CERTIFICATION NO. 14-118, S. OF 2014,
May 22, 2014]**

REVISED POLICY ON ALLOWANCE FOR DOUBTFUL ACCOUNTS

*Adopted: 22 May 2014
Date Filed: 08 August 2014*

This certifies that:

The records of the Office of the Corporate Secretary show that during the Two Hundred Sixty-Second (262nd) Meeting of the Board of Directors of the Subic Bay Metropolitan Authority held last 25 April 2014 wherein there was a quorum to validly transact business, the following resolution was approved:

Resolution No. 14-04-5063

"Resolve, as it is hereby resolved, that upon recommendation of Management and without prejudice to COA Regulations and pertinent laws on the matter, the Board hereby approves the following:

a. Revised Policy on Allowance for Doubtful Accounts, as follows:

| Age of Accounts Receivable | Percentage of Allowance |
|----------------------------|-------------------------|
| 1 - 30 days | 0% |
| 31 - 60 days | 5% |
| 61 - 90 days | 10% |
| 91 - 120 days | 15% |
| 121 - 150 days | 20% |
| 151 - 180 days | 30% |
| 181 days to 1 year | 40% |
| Over 1 year to 2 years | 50% |
| Over 2 years to 3 years | 65% |
| Over 3 years to 4 years | 80% |
| Over 5 years | 100% |