

# BENCHMARK ELECTRONICS, INC.

## Corporate Governance Guidelines for the Board of Directors

(as amended December 4, 2018)

### INTRODUCTION

The Board of Directors (the “*Board*”) of Benchmark Electronics, Inc. (the “*Company*”), acting on the recommendation of the Nominating/Governance Committee has developed and adopted these corporate governance guidelines (the “*Guidelines*”) establishing a common set of expectations to assist the Board and its committees in performing their duties in compliance with applicable requirements. Acknowledging the continuing discussions about corporate governance, the Board will review and, if appropriate, revise these Guidelines from time to time as circumstances warrant.

### BOARD RESPONSIBILITIES

The Board of Directors oversees the management of the Company and its business in the best interests and for the benefit of the Company’s shareholders. The Board performs the following specific functions, among others:

- selects, compensates and evaluates, at least annually, the Chief Executive Officer; oversees selection, retention and compensation of key management employees, including Group Presidents;
- reviews and approves the Company’s strategic plan and the annual operating plans, budget and corporate performance;
- advises management on significant corporate actions; reviews and approves these actions;
- ensures processes are in place for maintaining the integrity of the Company, including its financial statements and compliance with laws and ethics;
- plans for succession with respect to the position of Chief Executive Officer and monitors management’s succession planning for other key executives; and
- holds regularly scheduled executive sessions, and at least one session per year with only independent directors.

### BOARD STRUCTURE

The determination of the size of the Board is intended to achieve an effective working group that varies in number from time to time depending upon the needs of the Company. The bylaws of the Company provide that the Board shall consist of not less than five (5) or more than nine (9) members.

Proportion of Independent Directors. The Board believes that a majority of its members should meet the criteria of independence established by the Board in accordance with the New York Stock Exchange (“*NYSE*”) listing standards and other applicable laws, rules and regulations regarding independence in effect from time to time.

Selection of Chairman of the Board and Chief Executive Officer. The Board shall select a Chairman and the Company’s Chief Executive Officer in any way it considers to be in the best interests of the Company. At times these roles may be held by the same person. The Board does

not have a policy on whether the role of Chairman and Chief Executive Officer should be separate or combined.

Non-Executive Chairman and Lead Director. If the same person holds the Chief Executive Officer and Chairman roles, the Board will designate one of the independent directors as the Lead Director. If the roles of Chairman and Chief Executive Officer are held by separate persons, the Chairman will meet the independence requirements in these Guidelines and will serve as Non-Executive Chairman, elected by the Board according to the Company bylaws, and will assume all of the responsibilities of a Chairman and a Lead Director. The Non-Executive Chairman or Lead Director will be responsible for providing oversight with respect to the functioning of the Board. His or her specific responsibilities will include: (i) working closely with the Chief Executive Officer in framing the issues for Board consideration; (ii) working closely with the Chief Executive Officer to ensure that there is sufficient time for discussion of all agenda items; (iii) working with the Chief Executive Officer with respect to information sent to the Board for Board meetings; (iv) presiding at all meetings of the Board (or in the case of a Lead Director, at all executive sessions); and (v) acting as a liaison between the Board and the Company's management. The Non-Executive Chairman or Lead Director will have the authority to call meetings of the independent directors. The independent directors elect the Lead Director on a rotating basis. The name of, and means of contacting, the Non-Executive Chairman or Lead Director will be provided in the proxy statement for each annual meeting of shareholders.

Committees. The Board shall have at all times an Audit Committee, a Compensation Committee, and a Nominating/Governance Committee. All members of these committees shall, in the determination of the Board, meet the independence criteria set forth in the NYSE listing standards, and any other applicable laws, rules or regulations regarding independence. The Nominating/Governance Committee shall recommend committee members to the Board, which shall appoint committee members. In making any committee appointments, consideration should be given to the periodic rotation of a committee member.

Each committee shall have a written charter that sets forth the committee structure, membership criteria, purposes, responsibilities and procedures for appointing and removing committee members. The committee charters shall also provide that each committee annually evaluates its performance. Each committee shall elect its own Chairman. The Chairman of each committee, in consultation with other committee members, shall set the agenda for each meeting of such committee.

The Chairman of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter.

Each committee shall have the power to hire and terminate independent legal, financial or other advisors, as they deem necessary, without consulting or obtaining Board approval.

The Board may, from time to time, establish or maintain such additional committees as necessary or appropriate.

## **DIRECTORS**

In accordance with the policies and principles in its charter, the Board's Nominating/Governance Committee is responsible for identifying and recommending potential director nominees to the Board for its approval when there is a current or future vacancy on the Board, including position(s) created as a result of any increase in the size of the Board.

Membership Criteria. Directors should possess the highest personal and professional ethics, integrity and values, and should be committed to the long-term interests of the Company's shareholders. Directors shall also have an inquisitive and objective perspective, practical wisdom, mature judgment and knowledge useful to the oversight of the Company's business. The Board seeks member candidates with diverse experience at policy-making levels in business, education, technology or government. Directors must be willing to devote sufficient time, energy and attention to ensure the diligent performance of their duties. In assessing the appropriate composition of the Board, the Board also considers demographic factors that reflect the diversity of its employees, shareholders and customers.

Orientation and Continuing Education. All new directors will receive a comprehensive orientation from appropriate executives including background material on the Company and its business, its strategic plans, its significant financial, accounting and risk management issues, its compliance programs and its outside advisors. It is expected that all directors will participate in continuing education periodically (which must include attendance at least once every three years at an accredited director education seminar) addressing, among other things, current developments and best practices in corporate governance and other knowledge and expertise necessary to perform their duties as directors. The Secretary of the Company will notify directors of such educational opportunities. The Board will also normally conduct an on-site visit to a Company facility other than the corporate headquarters in conjunction with a regular Board meeting at least every other year.

Change in Professional Responsibility. The Board should consider whether a change in an individual's professional responsibilities directly or indirectly impacts that person's ability to fulfill his or her obligations as a director. To facilitate the Board's consideration, (i) employee directors shall promptly tender to the Board a letter of proposed resignation from the Board as a matter of course upon retirement, resignation or other significant change in professional roles; and (ii) non-employee directors shall promptly tender to the Board a letter of proposed resignation from the Board as a matter of course upon retirement, a change in employer or other significant change in their professional roles and responsibilities. No such resignation shall take effect unless and until accepted by the Board. The Nominating/Governance Committee (excluding the director in question) will review the matter and make a recommendation to the Board whether or not to accept the resignation.

Offer to Resign. Any director nominee who does not receive the affirmative vote of the majority of the outstanding shares of common stock entitled to vote in the election of directors and represented, in person or by proxy, at a meeting of shareholders at which a quorum is present and an uncontested Board election occurs shall promptly tender to the Board a letter of proposed resignation from the Board. No such resignation shall take effect unless and until accepted by the Board. The Nominating/Governance Committee (excluding the director in question) will review the matter and make a recommendation to the Board whether or not to accept the resignation. The

resignation will be accepted unless the Board (excluding the director in question) determines that acceptance of the resignation would not be in the best interests of the Company, in which case the Board will announce its reasons for such determination.

Retirement from the Board. Upon attaining the age of 72 and annually thereafter, a director shall tender a proposed letter of resignation from the Board to the Nominating/Governance Committee before the end of his or her current term. The Nominating/Governance Committee shall consider the desirability of the director's continuation of service on the Board and recommend to the Board whether, in light of all circumstances, the Board should accept such proposed resignation or request that the director continue to serve.

Term Limits. The Board does not believe it is advisable to establish term limits for its directors as such limits may deprive the Company and its shareholders of the contribution of directors who have been able to develop, over time, valuable insights into the Company, its operations and its future. As part of its responsibilities, the Nominating/Governance Committee shall consider the desirability of each director's continuation of service on the Board at the expiration of his or her term and before that director is considered for re-nomination.

Recusal when Conflict of Interest. Prior to any Board or committee discussion or decision related to any matter that potentially affects a director's personal, business or professional interests, that director should (i) disclose the existence of the potential conflict of interest to the Board or committee, and (ii) if the Board or Committee (in consultation with legal counsel) determines a conflict exists or the perception of a conflict is likely to be significant, recuse himself or herself from any discussion or vote related to the matter.

Service on Other Boards. Directors who currently serve as a public company CEO may not also sit on the boards of more than two public companies besides their own, and directors may not sit on more than five public company boards. No member of the Audit Committee may serve simultaneously on the audit committees of more than two other public company boards of directors unless the Board determines that such simultaneous service would not impair such director's ability to serve effectively on the Audit Committee and such determination is disclosed in the Company's annual proxy statement. Directors shall advise the Chairman of the Board and the Chairman of the Nominating/Governance Committee prior to accepting an invitation to serve on another public company board of directors or an appointment to serve on the audit committee or compensation committee of another public company board of directors.

Compensation. The form and amount of director compensation is determined by the Board based upon the recommendation of the Compensation Committee. The Compensation Committee shall conduct an annual review of director compensation. In making its recommendations, the Compensation Committee shall give proper consideration to what is customary compensation for directors of comparable companies and any other factors it deems appropriate that are consistent with the policies and principles set forth in its charter and these Guidelines. Directors who are employees of the Company or any of its subsidiaries or affiliates shall not receive any compensation for their services as directors.

## **BOARD OPERATIONS**

Number of Meetings. The Board expects to have four (4) regularly scheduled meetings each year. Upon adequate notice, unscheduled meetings may be called as needed. The Chairman of the Board shall consult with other Board members in determining the times and duration of the Board meetings. Directors are expected to attend all Board meetings and meetings of committees on which they serve and to spend the necessary time to discharge their duties diligently and responsibly.

Meeting Agendas. The Chairman of the Board shall establish the agenda for each Board meeting. Each director shall be furnished a copy of the agenda in advance of the Board meeting, if possible. Each director may suggest the inclusion of agenda items. Each director can bring up, at any Board meeting, subjects that are not on the agenda for that meeting. The agendas for Board meetings shall provide opportunities for senior management to make presentations to the Board during the course of the year. At one meeting each year the Board shall be presented with (i) the long-term strategic plan for the Company and the principal issues that the Company expects to face in the future and (ii) the budget and profit plan for the succeeding fiscal year. At one meeting each year, the Chief Executive Officer shall meet in executive session with non-management directors to discuss his or her recommendations and evaluations for potential successors to senior management positions. The Chief Executive Officer shall have also identified to the Board a short-term succession plan in the unexpected event a member of the senior management team is unable to fulfill his or her duties.

Board Materials. Information and material that are important to the Board's understanding of the business to be conducted at a Board meeting should be distributed to the directors one week prior to the meeting, if possible, in order to provide ample time for review beforehand. Directors are expected to review and devote appropriate time to studying Board materials distributed in advance of the meeting, and be prepared to participate meaningfully in the meeting and to discuss all scheduled items of business.

Board Resources. The Board, each committee of the Board, and each non-management director, has complete access to senior management of the Company and other employees on request to discuss the business and affairs of the Company. It is generally expected that information regarding the Company's business and affairs will be provided to the Board by Company management and staff and the Company's independent auditors. However, the Board has the authority to retain such outside advisors, including accountants, legal counsel, or other experts as it deems appropriate without consulting or obtaining the approval of any officer of the Company in advance. It is expected that directors will use their judgment to ensure that contact with employees will not be disruptive to the business operations of the Company and that, to the extent not inappropriate, the Chief Executive Officer will be given advance courtesy notice of any such contact.

Executive Session of Directors. The non-management directors shall meet in executive session before or after each regularly scheduled Board meeting or more frequently, if necessary. The Lead Director, if any, shall preside at these executive sessions. Any non-management director may raise issues for discussion at an executive session. The non-management directors will maintain such records of executive sessions as they deem appropriate, including records to enable the Chief Executive Officer to satisfy applicable certification requirements of the NYSE. At least once

annually, an Executive Session should be held with only independent directors (i.e., any non-management directors who are not also independent directors will be excused from this meeting)

**Board Evaluation.** At least annually, the Board will evaluate its performance and effectiveness (including the performance and effectiveness of each committee and each member of the Board). The Nominating/Governance Committee is responsible for conducting an annual evaluation of the performance of the full Board and reporting its conclusions to the Board. The Nominating/Governance Committee's reports should generally include an assessment of the Board's compliance with the governance principles set forth in these Guidelines, as well as identification of areas in which the Board could improve its performance.

**Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

### **CODE OF CONDUCT**

The Company has adopted comprehensive standards of business conduct guidelines the purpose of which shall be to focus the directors, officers and employees on areas of ethical risk, provide guidance in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. Each director is expected to be familiar with and to follow the Company's Code of Conduct (the "*Code*"). The Audit Committee shall review any allegation that an executive officer or director may have violated the Code. Waivers of the Code for any officer or director may be made by the Board or by a Board committee composed entirely of independent directors. Any waiver of the Code for an officer or director shall be communicated to the shareholders.

### **INSIDE INFORMATION & TRADING IN SECURITIES POLICY**

The Company has adopted a policy with respect to material inside information and trading in the Company's securities. Each director is expected to be familiar with and to follow the Company's Securities Trading Policy (the "*Policy*"). The Audit Committee shall review any allegation that an employee or director may have violated the Policy.

### **COMMUNICATIONS**

The Board believes that executive management speaks for the Company. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, subject to prior consultation with executive management.

### **INDEMNIFICATION**

The Company provides reasonable directors' and officers' liability insurance for the directors and shall indemnify the directors to the fullest extent permitted by law and the Company's articles of incorporation and bylaws.

### **STOCK OWNERSHIP COMMITMENT**

The Board believes that all directors, consistent with their responsibilities to the shareholders of the Company as a whole, should hold an equity interest in the Company. The Board expects that all directors own, or acquire within five (5) years of joining the Board, shares of common stock of the Company having a market value of at least three times the director's annual Board retainer.

**REVISION TO CORPORATE GOVERNANCE GUIDELINES**

The Nominating/Governance Committee will review these Guidelines periodically and will recommend to the Board such revisions as it deems necessary or appropriate for the Board to discharge its responsibilities more effectively.

**PUBLIC DISCLOSURE OF CORPORATE GOVERNANCE POLICIES**

The Company shall post on its website copies of these Guidelines, the Code and the charter of each committee of the Board.