



BOARD OF TRUSTEES

1. Board Governance

The Board of Trustees (the “Board”) shall be primarily responsible for the governance of the Foundation. Corollary to setting the policies for the accomplishment of the Foundation’s objectives, it shall provide an independent check on Management.

The Board shall be driven by the Foundation’s vision, mission and objectives. It shall exercise strategic leadership and shall respect the delineation between Board and Management roles. The Board shall govern with excellence, accountability, transparency, prudence, and proactiveness.

2. Composition

The Board of Trustees shall be comprised of seven (7) trustees, who shall be elected for two (2) years until their successors shall have been elected and qualified in accordance with the By-Laws of the Foundation.

To the extent practicable, the members of the Board shall be selected from a broad pool of qualified candidates. A sufficient number of qualified non-executive members shall be elected to promote the independence of the Board.

The Board has a diversity policy as stated in the Foundation’s Corporate Governance Manual.

3. Qualifications and Disqualifications of a Trustee

Trustees are subject to the qualifications and disqualifications stated in the Foundation’s Corporate Governance Manual.

4. Responsibilities, Duties and Functions of the Board

i. General Responsibility

It shall be the Board’s responsibility to foster the long-term success of the Foundation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interest of its members and clients.

ii. Duties and Functions



Board Charter

To ensure high standard of best practice for the Foundation and its members and clients, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- a. Implement a process for the selection of trustees who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies; appoint competent, honest and highly-motivated management officers and adopt an effective succession planning program for Management;
- b. Provide sound strategic policies and guidelines to the Foundation on major capital expenditures; establish programs that can sustain its long-term viability and strength; periodically evaluate and monitor implementation of such policies and strategies, including business plans, operating budgets and Management's overall performance;
- c. Ensure compliance with all applicable laws such as but not limited to the Microfinance NGO Act, the Magna Carta for Women and environmental laws;
- d. Establish and maintain client relations program that keeps them informed of important developments in the Foundation. If feasible, the Foundation's President/CEO shall exercise oversight responsibility over this program;
- e. Identify the sectors in the community in which the Foundation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them;
- f. Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system shall be conducted to ensure integrity of the decision-making and reporting processes at all times. There shall be a continuing review of the Foundation's internal control system in order to maintain its adequacy and effectiveness;
- g. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Foundation to anticipate and prepare for possible threats to its operational and financial viability;
- h. Formulate and implement policies and procedures that shall ensure the integrity and transparency of related party transactions;
- i. Constitute Audit and Compliance Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;
- j. Establish and maintain an alternative dispute resolution system in the Foundation that shall amicably settle conflicts or differences between the Foundation and its members, and the Foundation and third parties, including regulatory authorities;



Board Charter

- k. Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration;
- l. Keep activities and decisions of the Board within its authority under the Articles of Incorporation and By-Laws, and in accordance with existing laws, rules and regulations;
- m. Oversee the periodic review of and approve the change/s in the Foundation's Vision, Mission, Social and Governance Goals, taking into account the low income and marginalized sectors as target clients;
- n. Oversee that an appropriate internal control system is in place, including setting up a policy and mechanism for monitoring and managing potential conflicts of interest in situations and transactions of Management, Board of Trustees and Members;
- o. Oversee that a sound risk management framework is in place to effectively identify, monitor, assess and manage key risks and
- p. Appoint a Compliance Officer who shall be responsible for coordinating, monitoring and facilitating compliance of the Foundation with existing laws, rules and regulations. The Compliance Officer shall be vested with appropriate authority and provided with appropriate support and resources.

5. Specific Duties and Responsibilities of a Trustee

A trustee shall act in the best interest of the Foundation in a manner characterized by transparency, accountability and fairness. He shall also exercise leadership, prudence and integrity in directing the Foundation towards sustained progress.

A trustee shall observe the following norms of conduct:

- i. Conduct fair business transactions with the Foundation, and ensure that his personal interest does not conflict with the interests of the Foundation.
- ii. Devote the time of attention necessary to properly and effectively perform his duties and responsibilities.
- iii. Act judiciously.
- iv. Exercise independent judgement.
- v. Have a working knowledge of the statutory and regulatory requirements that affect the Foundation, including its Articles of Incorporation and By-Laws, the rules and regulations of SEC and, where applicable, the requirements of other relevant regulatory agencies.
- vi. Observe confidentiality.



- vii. Notice of other directorships

6. Nomination Process

The members of the Board of Trustees are elected by the members of the Foundation. The majority of the members of the Board of Trustees shall come from the nominees of Assisi Development Foundation (ADF) and Ninoy and Cory Aquino Foundation (NCAF) who have been supporting the Foundation and its projects, while one member shall come from the nominee of Kamrul H. Tarafder who envisioned and organized the Foundation. The procedures for nomination are provided for in the Foundation's Corporate Governance Manual.

7. Election

The Board of Trustees shall be elected by a majority vote of the members every after two years at an annual members' meeting. The Board shall hold a meeting immediately after the election for the selection/appointment of the officers of the Foundation.

The conduct of the election of the members of the Board shall be made in accordance with standard election procedures of ASA Philippines Foundation's By-Laws.

8. Orientation and Continuing Education

Prior to election, each nominee shall be given a copy of the Foundation's Corporate Governance Manual along with an overview of programs, plans, and finances of the Foundation. The nominees must have attended a seminar on corporate governance. Soon after election, each first-time Board member shall be given a copy of the Foundation's Articles of Incorporation, By-Laws, and the Code of Conduct and Ethics for Trustees.

The members of the Board shall have sufficient knowledge relevant to the Foundation's activities to provide effective governance and oversight. All Trustees shall be encouraged to annually attend a program on corporate governance, social performance and client protection, and financial performance management. The Corporate Secretary shall likewise annually attend training on corporate governance.

9. Resources and Compensation/Per Diem

The Board shall have the appropriate resources to enable it to discharge its duties and responsibilities in an effective and efficient manner. The Foundation shall provide appropriate funding for the payment of (i) ordinary administrative expenses that are necessary or appropriate in carrying out the Board's duties and responsibilities and (ii) reasonable compensation to any consultants and independent advisors retained by the Board.



The Board of Trustees shall be prohibited from receiving compensation or remuneration. However, they shall receive reasonable per diem for their attendance during meetings.

10. Chair of the Board

The job of the Chair shall be primarily to maintain the integrity of the Board's processes. He shall ensure that the Board acts according to the Foundation's vision, mission, objectives and values without encroaching on Management's functions. The Chair shall offer advice to and work in close coordination with the President/CEO and staff on behalf of the Board. Specifically, the Chair shall have the following duties and responsibilities:

- Provide leadership in the Board, ensuring effective functioning of the Board and maintaining a relationship of trust with the members;
- Guarantee that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;
- Assist in ensuring compliance with the Foundation's guidelines on corporate governance contained in this Manual;
- Ensure a sound decision-making process, by promoting critical discussions and providing a safe environment where dissenting views can be expressed;
- Ensure that the performance of the Board is evaluated at least once a year and discussed/followed up on;
- Assure the availability of proper orientation for first time trustees and continuing training opportunities for all trustees; and
- Perform such other duties and responsibilities as the Board may impose upon him.

Separate individuals shall hold the positions of Chair of the Board and CEO, and each shall have clearly defined and delineated responsibilities.

Selection Process. Succession planning shall be in place to ensure a smooth transition to insure continued operations and growth. The Corporate Governance Committee shall be charged with the conduct of the Board Chair selection process.

The desired attributes of the Chair shall be as follows:

- Proven leadership skills;
- Strategic mindset;
- Ability to act impartially, with tact and diplomacy;
- Ability to continue the legacy of building the Foundation and its strong relationships with the stakeholders; and
- Strong trusted advisor relationships with the President/CEO and other board members.

The Corporate Governance Committee shall canvass each board member to obtain views on the selection criteria and on the perceived strengths and weaknesses of possible candidates. If the chair of the Governance Committee shall be nominated as chair, s/he shall not participate in the selection process. The vice chair or another



member of the said committee shall take over the selection process. A third or search party shall be engaged, if necessary.

11. Board Meetings

Regular Board meetings shall be held four times a year or once every quarter, preceded by a notice day in advance of the meeting date at the office of the Foundation or at such other place within or outside the Philippines as the Board may from time to time determine and fix.

Board Committees

The Board shall establish committees to assist it in exercising its authority in monitoring the performance of the Foundation, within the limits allowed by law. These Board committees shall provide organized and focused means for the trustees to achieve specific goals and address specific issues, including those related to governance. All board-level committees shall have Committee Charters providing for their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information which may serve as a basis for performance evaluation. Said Committee Charters shall be fully disclosed on the company website.

The Board of Trustees shall constitute, at a minimum, the following committees:

1. Corporate Governance Committee
2. Audit and Compliance Committee
3. Finance and Risk Management Committee
4. Compensation Committee

12. BOARD MEMBERS' CODE OF CONDUCT AND ETHICS

The Board shall conduct itself, collectively and individually, according to the Foundation's ethical and professional standards. It shall be guided by the Foundation's code of conduct and ethics as stated in the Foundation's Corporate Governance Manual.

13. PERFORMANCE EVALUATION

Board, Committee and Trustee evaluation involves board members undertaking a constructive but critical review of their own performance, identifying strengths, weaknesses and implementing plans for further professional development. Self-assessments shall be carried out annually and shall be held in utmost confidentiality and will have non-attributable responses. The self-assessments focus on individual trustee performance as well as the collective performance of the Board and its Committees, operating as a whole. Key evaluation factors of the assessments and the levels of evaluation are as stated in the Foundation's Corporate Governance Manual.