

NOMINATION AND ELECTION COMMITTEE CHARTER

(Feb 2021 version – cleaned March 2022)

1. CREATION OF THE NOMINATION, AND ELECTION COMMITTEE

1.1 Committee Membership

a. Composition of the Nomination and Election Committee

The Board shall create a Nomination and Election Committee (referred to as the “Committee” or the “NomElec”) which shall have at least three (3) members selected from the Board. The Chairman of the Committee shall be appointed annually by the Board from among its members.

An ICD Fellow who is a non-board member may be invited by the Chairman to join the Committee as a resource person, subject to the qualifications in section in B.

b. Qualifications and Disqualifications of Members and the Chairman

Any Trustee can be a member of the Committee except those whose term will expire the following year and thus, may be qualified for re-election. The Chairman should not be the Chair of the Board or of another Board Committee.

Any ICD fellow shall be eligible for appointment as a resource person of the Committee if at the time of his nomination he has been an active member of the ICD, not in arrears in payment of his dues, is not on leave, is not under suspension or investigation for possible termination, and is not otherwise incapacitated to hold office as Trustee

1.2 Purpose - Functions and Responsibilities of the Committee

The Committee is primarily tasked with the following responsibilities:

a. Nomination

- i. To ensure a formal and transparent Board nomination and selection policy that should include how it accepts nominations from ICD Fellows, and to review nominated candidates; to assess the effectiveness of the Board's process and procedures in the nomination, election, or replacement of a Trustee;
- ii. To identify the qualifications of Trustees that should be aligned with the strategic direction of ICD; and to monitor the qualifications of the Trustees and ensure that they do not incur a disqualification mandated under ICD's Manual of Corporate Governance, or under the Revised Corporation Code of the Philippines;

2. COMMITTEE MEETINGS AND VOTING

2.1 Meetings

Meetings shall be called by the Committee Chairperson whenever deemed necessary but not less than twice per year having regard to the occurrence of Board vacancies. Any member of the Committee may request a meeting at any time if they consider it necessary and the Committee may establish its own schedule, which it will provide to the Board in advance.

2.2 Voting

Each member of the Committee will have one vote. The action of a majority of those present at a meeting, at which a quorum is present, shall be the act of the Committee.

If the Committee Chair is absent from a meeting and no acting chair has been appointed, the Committee members present may choose one of them to act as chair for that meeting. A separate chair will be appointed if and when the Committee is dealing with the appointment of a successor to the Committee Chair.

A member of the Committee must not be present for discussions at a Committee meeting on, or vote on a matter affecting himself/herself such as regarding, his/her nomination, election, or re-election.

Non-Committee members may be invited by the Committee Chair to attend meetings of the Committee as a resource person. Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and any other person invited by the Committee to attend. They shall not, however, be allowed to vote or campaign or directly influence the Committee member's vote. They shall also be bound not to disclose anything discussed during the meeting of which he/she is invited to attend.

3. BOARD COMPOSITION, SELECTION AND ELECTION OF TRUSTEES

3.1 Composition and Board Diversity

The Committee shall recommend a process, for the approval of the Board, to fill Board vacancies as and when they arise, having due regard to the desired composition of the Board as stated in the Articles of Incorporation and By-Laws.

It shall regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board in accordance with applicable laws and make recommendations to the Board regarding any changes to ensure that a diverse range of candidates are selected and any gaps in the skill or experience of the Board are identified. Diversity in gender, educational background, industry and expertise shall be of paramount importance in setting the policies for the composition of the Board.

3.2 Qualifications and Disqualifications of Trustees

The Committee shall have the responsibility to develop, review and recommend a formal transparent process for election and re-election of Trustees subject to the rules contained in the Articles of Incorporation (AOI) and By-Laws of ICD.

It shall recommend a process to evaluate the competencies, independence, qualifications and disqualifications required of prospective trustees in accordance with ICD's AOI and By-Laws, as follows:

a. Qualifications

Trustee of ICD must be:

- i. A Fellow in good standing;
- ii. Assiduous and willing to devote time and effort to the responsibilities of being a Trustee; and
- iii. With no conflict of interest.

A Fellow is considered to be in good standing when he/she has complied with all of the obligations and duties of a Fellow as well as being current with regard to his/her payment of annual dues.

“Conflict of interest” is a situation in which the private interests or personal considerations of a nominee Trustee or such person’s immediate family, or any organization or group in which such a person holds a position as a member, employee, officer, director, partner or Fellow, may be seen as competing with the interests of ICD.

Without limiting the generality of the foregoing, a person shall be deemed to have a conflict of interest if he/she is an officer, manager or controlling person of, or the owner (either of record or beneficially) of any corporation engaged in a business which the BOT, by at least 2/3 vote, determines to be competitive or antagonistic to that of ICD.

In determining whether a person is a controlling person, beneficial owner or the nominee of another, the Board may take into account such factors such as business and family relationships.

b. Disqualifications

No one can be a Trustee if that person is:

- i. Finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;
- ii. Offences related to moral turpitude, fraud, transgressions and being found by regulators or a court or other administrative body to have willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of, major provisions of the Securities Regulation Code, the Corporation Code, or any other law administered by the Securities and Exchange Commission, the Bangko Sentral ng Pilipinas, the Governance Commission for GOCCs, the Insurance Commission or like regulators. The determination of whether the provision is major or minor shall be left with the Nomination & Governance Committee;
- iii. Judicially declared to be insolvent;
- iv. Absence of director in more than 50% of all regular and special meetings;
- v. Has an affiliation which conflicts with the interests and concerns of ICD as defined above;
- vi. Has served as Trustee of the Institute for 9 cumulative years.

3.3 Nomination and Screening

The Committee shall recommend a process in determining guidelines for the nomination and screening of candidates for Trustee. The nominations for trustees shall be announced and closed by the Committee each year for a duration which shall not be less than two weeks. The final list of nominees who shall become the Official Candidates shall be submitted for consideration of the Fellows not less than 21 days prior to the Annual General Membership Meeting (AGMM).

A qualified Fellow shall be considered for nomination as Trustee if endorsed by at least two (2) Fellows in good standing in a duly submitted Nomination Form (see Annex A), together with a filed statement from the nominee, duly signed by him and attesting to the fact that he/she has no conflict of interest as defined herein. The identity of the nominating person or group and their signatures must be clearly identified in visible print on the nominating form. As may be allowed by the ICD Board, nominations can also be done digitally through the use of an online nomination form to be provided.

No current member of the Nomination and Election Committee may nominate a Trustee.

No nominations for trustee shall be accepted at the floor during the (AGMM).

3.4 Election

a. Election Process

The Committee shall be responsible in conducting an orderly election.

Each Fellow shall be entitled to one vote, either in person or by proxy. The designated proxy, however, must be a Fellow of the association. Appointment of proxies shall be in writing. A Fellow who has executed a proxy may revoke the same at any time prior to deadline of submission, provided that the right to revoke can be exercised once only.

The right to vote of Fellows may be exercised through remote communication or *in absentia* when authorized by a resolution of the majority of the BOT. Procedures for remote communication or voting in absentia shall be the responsibility of the Committee which shall ensure that no member is deprived of its right to vote.

Votes received through electronic voting, together with votes cast through proxies, shall be subject to validation.

The Committee shall ensure the confidentiality of all votes, whether cast in absentia or by proxy, until the official results are reported during the Annual General meeting called for that purpose.

b. Election Protest

Any election protest must be filed in writing, and signed by the protestor citing the reasons for the protest and the facts alleged. Any protest properly submitted shall be acted upon by Committee not later than seven working days from the date the protest is filed.

In case of any disputes or complaints in the manner of election of a Trustee, the Nomination and Election Committee will immediately convene to resolve the issue and make proper recommendation to the Board.

b. Induction and Taking of Oath

The Committee shall be responsible for scheduling the induction and oath-taking of new Trustees with all such information and advice which may be considered necessary or desirable for the Trustees to commence their appointment to the Board.

The Committee may make recommendations to the Board in relation to any of the above.

4. PROCEDURES AND ADMINISTRATION

4.1 Reports to the Board. The Committee shall report regularly to the Board on matters relating to its scope of responsibility.

4.2 Guidelines. The Committee shall periodically review and reassess the adequacy of this Guidelines and recommend any proposed changes to the Board for approval.

4.3 Evaluation. The Committee shall evaluate its performance annually.

5. ADDITIONAL POWERS

The Committee shall have such other duties as may be delegated from time to time by the Board.

