

## **EXECUTIVE COMMITTEE CHARTER**

### ***ICD's Vision***

By 2024, ICD will be widely recognized as the key catalyst in effecting positive change in the corporate governance ecosystem for inclusive and sustainable development.

### ***ICD's Mission***

To advocate good governance and stewardship in the corporate sector for the benefit of society.

### ***ICD's Core Values***

Independence, Solidarity, Patriotism, Integrity & Ethics, Excellence, Social Responsibility

## **1. FUNCTIONS AND RESPONSIBILITIES OF THE EXECOM**

The Executive Committee designated under Section 1, Article VI of ICD's Amended Bylaws shall have the primary functions:

- (a) To act for or on behalf of the Board of Trustees during the periods between meetings of the Board on all matters that are within the Board's power and competence, except on the matters expressly excluded under Section 3(a) below.

The resolutions adopted by the Executive Committee that fall within its powers and competence pursuant to the terms of this Charter shall have the same force and effect as though they were undertaken and resolved by the ICD Board of Trustees, and subject to report to and ratification by the Board at its regular meetings.

- (b) To oversee the nomination, election or appointment of the Chief Executive Officer (CEO), Corporate Secretary, the Corporate Treasurer, the Data Privacy and Compliance Officers, and key C-Level Officers. The Executive Committee shall also ensure proper succession plans, diversity and recommend procedures and policies for smooth transition, for consideration by the ICD Board. *(Adopted by the ICD Board on 09 September 2021)*
- (c) To oversee the Institute's pursuit or manner of addressing national issues relevant to the Institute's Mission, Vision and Core Values, and decide upon the active or cooperative engagement with other organizations on issuance of statements on national issues.

## **2. COMMITTEE MEMBERSHIP, MEETINGS AND COMMITMENTS**

- (a) The Executive Committee shall be composed of the following members:

- (i) The Chairperson of the ICD Board of Trustees, who shall be the Committee Chairperson;
  - (ii) The Vice-Chairperson and President of the ICD Board of Trustees, who shall be the Committee Vice-Chairperson, and who shall preside over the Committee in the absence of the Chairperson;
  - (iii) The Trustee who has been elected the Treasurer.
- (b) The CEO, if he or she is a person who is different from the President, and the Chief Financial Officers (CFO) shall sit as *ex-officio* members of the Executive Committee with no voting right. *(Adopted by the ICD Board on 09 September 2021)*
- (c) The Corporate Secretary shall be an *ex-officio* member of the Executive Committee without a voting right, and shall advise the Committee on legal and regulatory matters affecting ICD's operations.
- (d) Senior Officers of the ICD may be invited to attend meetings of the Executive Committee as resource persons when it acts as a Management Committee pursuant to Section 3(b) below.
- (e) The Chairperson shall be responsible for setting the meeting agenda. Committee meetings shall be held on a monthly basis, but special meetings may be called by the Chairperson whenever necessary.
- (e) Unless otherwise changed by the consensus of its members, the Executive Committee shall meet every third (3<sup>rd</sup>) Wednesday of each month.
- (f) Each member of the Executive Committee accepts his or her membership in the Committee with the commitments to attend at least 90% of all Committee meetings. The use of remote communications for Committee proceedings shall be encouraged to ensure the availability and participation of all members of the Committee.

### **3. BUSINESS PROTOCOL OF THE EXECOM**

In pursuing its functions and responsibilities (for or on behalf of) the ICD Board of Trustees in periods between meetings of the Board, the Executive Committee's business affairs shall be divided into the following classifications: (a) Exercise of ICD Board Powers; and (b) the Executive Committee sitting as a Management Committee.

The following rules and procedures shall be complied with in the proceedings or meetings of the Executive Committee in the pursuit of its business affairs, it being understood that the Executive Committee may conduct seamless meetings exercising its powers and functions as classified below.

**a. Exercise of ICD Board Powers**

The Executive Committee shall have power and authority upon a vote of all its three (3) members to decide and pursue on all matters that are within the ICD Board of Trustees' power and authority pursuant to the provisions of the Revised Corporation Code and those provided for in ICD's articles and bylaws, except on the following matters:

- (1) Approval of any action for which shareholders' or members' approval is also required under the Revised Corporation Code;
- (2) Filling of vacancies in the Board or any of its Committees, or the appointment or replacement of the CEO;
- (3) Amendment of the articles of incorporation;
- (4) Amendment or repeal of the bylaws or the adoption of new bylaws;
- (5) Approval, amendment or supplementing the budget;
- (6) Adopting, amending or revising the plantilla;
- (7) Amendment or repeal of any resolution of the Board which by its express terms is not amendable or repealable;
- (8) The incurring or increasing of loans and other forms of indebtedness with financial institutions;
- (9) Purchases or disbursement of corporate funds exceeding One Million Pesos (₱1,000,000.00); and
- (10) Any matter which is addressed to the ICD Board of Trustees for its consideration, such as amendment of ICD's Mission/Vision, or Strategic Roadmap, material transactions not in the ordinary course of business, or which the Board has expressly reserved for its full consideration and which the Board has not chosen to refer to the Executive Committee.

Although the general rule is that the presence of at least two (2) members of the Committee shall be enough to constitute a quorum, nonetheless, matters falling under this category may be decided upon or approved only with the unanimous consent of the members of the Executive Committee. In the event that no unanimous decision is arrived at by the members of the Executive Committee on any of such matters, then *ipso jure* the matter shall be referred to the ICD Board of Trustees

either at its next scheduled regular meeting or in a special meeting, as may be required by the prevailing circumstances.

A formal report of all actions and resolutions taken by the Executive Committee shall be submitted by the Executive Committee to the ICD Board of Trustees for its notation or ratification, as the case may be, at its next regular meeting. Nothing in this charter shall be construed as preventing the ICD Board of Trustees from exercising its plenary power to revoke, modify or amend any of the resolutions adopted by the Executive Committee.

### ***b. Supervision Over Management***

The Executive Committee shall exercise the ICD Board of Trustees' supervisory power and control over the Management in periods between meetings of the ICD Board, and all matters discussed and decided upon shall all be reported to the Board immediately at the next scheduled Board meeting.

Although the general rule is that the presence of at least two (2) members of the Committee shall be sufficient to constitute a quorum, the consent of at least two (2) members of the Executive Committee shall be necessary to carry any resolution for matters falling under this category.

### ***c. CEO and C-Level Officers***

In line with the primary function under Section 1(b) above, the Executive Committee shall recommend to the ICD Board appropriate and transparent policies and procedures in determining the remuneration of the CEO and C-Level officers which shall be consistent with ICD's culture and strategy, as well as the business environment in which it operates. From time to time, the Executive Committee shall conduct a survey of best practices in compensation packages to be used as benchmark in fixing the appropriate compensation package of the CEO and C-Level officers. *(Adopted by the ICD Board on 09 September 2021)*

## **4. NATIONAL ISSUES**

When it comes to its function and responsibility on articulating the Institute's position of national issues, the Executive Committee shall act upon a majority of its voting members, taking into consideration the Guidelines on National Issues approved by the Board of Trustees, and taking into consideration the recommendation of the Chief Executive Officer and Corporate Secretary of the Institute.

## **5. CHARTER APPROVAL BY THE ICD BOARD OF TRUSTEES**

The Charter of the Executive Committee shall be formally approved by the ICD Board of Trustees at a meeting duly called for the purpose, and such approval of this Charter shall constitute the Executive Committee to have such powers and authority provided for in the Charter pursuant to the terms of Section 1, Article VII of ICD's Amended Bylaws.

Any amendment to or repeal of the Charter shall require the approval of all of the members of the Executive Committee and ratification by the ICD Board of Trustees.

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