



**SEDP – SIMBAG SA PAG-ASENSO, INC.**  
**(A MICROFINANCE NGO)**  
**GOVERNANCE COMMITTEE CHARTER**  
**2017**

**I. PURPOSE**

The purpose of the Governance Committee is to ensure the integrity of the Board and enhance board performance. The Committee shall a) determine the slate nominees for election to the SEDP’s Board of Trustees; b) recommend trustee members for appointment to Board committees; c) recommend candidates to fill vacancies occurring between annual meetings; d) recommend selection and termination of key officers - the CEO and Directors of Administration and Finance, Operations, and Members Development Services and Formation; e) ensure that board members have adequate orientation and ongoing education; f) review, evaluate and recommend changes to SEDP-Simbag’s Board Charter; and g) review SEDP-Simbag’s policies and programs that relate to matters of corporate responsibility, including public issues of significance to the organization and its partners.

**II. DUTIES AND RESPONSIBILITIES**

Subject to the provisions of the Board Charter, the principal responsibilities and functions of the Governance Committee are as follows:

**Nomination**

1. Assist the Board in identifying, interviewing and recruiting candidates for the Board including candidates recommended by members of the Board.
2. Present to the Board a list of qualified individuals recommended for nomination for election to the Board at the annual meeting of members and for appointment to the Board committees (including this Committee).
3. Before recommending an incumbent, replacement or additional trustee, review his or her qualifications including integrity, competence, experience, availability to serve, conflict of interest, and other relevant factors.
4. Present to the Board their recommended candidates for the position of Chief Executive Officer and department directors.

**Corporate Governance Matters**

1. Initiate orientation to first-time trustees and relevant continuing training for all trustees.
2. Develop and periodically review and recommend to the Board appropriate revisions to the SEDP-Simbag’s Board Charter.
3. Monitor compliance with the Board Charter.

4. Regularly review and make recommendations about changes to the charter of the Governance Committee.
5. Regularly review and make recommendations about changes to the charters of other Board committees after consultation with the respective committee chairs.
6. Annually review SEDP policies and programs that relate to corporate responsibility.

### **Evaluation**

1. Annually evaluate the performance and effectiveness of the Board and report the result of evaluation to the full Board.
2. Annually review the composition of each Board Committee and present recommendations for committee memberships to the full Board as needed.
3. Perform an annual evaluation of the Governance Committee's performance and make applicable recommendations.
4. Assist the Chairman of the Board in leading the Board's periodic review of performance of the Chief Executive Officer and the Directors.

## **III. ORGANIZATION**

### **a. Membership**

The Governance Committee shall consist of at least three members. Each member shall meet the independent requirements established by the Board and applicable laws, regulations and listing requirements.

### **b. Appointment and Term**

The Board appoints the members of the Committee and the Chairperson. The Committee Chair and members shall serve for a term of three years. The Board may remove any member from the Committee at any time with or without cause.

### **c. Duties of Chair**

The Chair shall preside at all meetings of the Governance Committee and perform any duties as may be assigned by the Board from time to time.

### **d. Secretary of Committee**

The Secretary of the Governance Committee shall come from the Board Secretariat. The Secretary is not necessarily a member of the Board, and if he or she is not, such Secretary must be an employee of SEDP or any of its subsidiaries.

### **e. Resignation**

Any member of the Governance Committee may resign effective upon approval by the Chairman of the Board, unless approval of the effectivity of the resignation specifies a later time.

### **f. Vacancies**

Any vacancy in the Governance Committee other than by expiration of term shall be filled by appointing any of the Board members. The member so appointed to fill a vacancy shall serve only the unexpired term of his/her predecessor.

**g. Meetings**

The Committee shall meet at least twice a year. The Committee may meet in executive session without the SEDP management present. The Committee is governed by the same rules regarding meetings, action without meetings, notice, waiver or notice, and quorum and voting requirements as are applicable to the Board.

**h. Minutes**

The Secretary of the Committee shall keep the minutes and other relevant records of the meetings and activities of the Committee. The minutes shall be available for review by the Board and by any regulatory institution having jurisdiction over the affairs of SEDP. In the event of any meeting in Executive Session or otherwise, where the Secretary is not present, the Chair shall act as or designate an Acting Secretary for the purpose of recording the minutes and actions taken at the meeting or Executive Session.

**i. Authority**

1. The Governance Committee will have the resources and authority necessary to discharge its duties and responsibilities consistent with any provision of the Board Charter, policies of SEDP, or the laws of the Philippines.
2. The Governance Committee has the authority to:
  - a) retain and terminate external legal counsel;
  - b) seek the services of an agency to identify and recommend to the Board, candidates for Chief Executive Officer/President, Directors and consultants, as it deems appropriate; and,
  - c) approve agency service consultancy fee and other retainer's fees and terms subject to the approval of the Bishop of Legazpi in consultation with the Board.
3. Any communication between the Governance Committee and a legal counsel in the course of obtaining legal advice shall be considered a privileged communication of SEDP and the Committee shall take all necessary steps to preserve the privileged nature of the communication.
4. The Governance Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

**j. Assessing Committee Performance**

The Governance Committee shall annually evaluate its own performance using a Board-approved performance evaluation tool and report such assessment to the full Board.