



## **HOME DEVELOPMENT MUTUAL FUND BOARD GOVERNANCE COMMITTEE CHARTER**

### **I. PURPOSE**

The Board Governance Committee is established to assess the overall Board performance, provide eligibility guidelines and conduct nomination process to the Board, develop management and succession planning, recommend the Fund's corporate governance principles, and monitor compliance with applicable laws, rules and regulations.

### **II. COMPOSITION**

The Board Governance Committee shall consist of five (5) Trustees who shall be selected from among its ranks. The Committee shall be composed of a Chairman, a Vice-Chairman, and three members.

### **III. RESPONSIBILITIES AND DUTIES**

The Committee shall have the following duties and responsibilities:

1. On the Nomination and Appointment of the Board of Trustees
  - a. Develop and recommend to the Board criteria to identify prospective candidates for the Board of Trustees considering areas of relevant expertise to ensure a mix of competent Board of Trustees, each of whom can add value and create independent judgment as to the formulation of sound corporate governance strategies;
  - b. Review qualifications, the appropriate skills and characteristics of persons to be nominated as Board of Trustees in the context of the strategic direction of the Fund;
  - c. Design an orientation program for the new Trustees and consult with them on their progress and a continuing education program for existing Trustees;
2. On the Nomination and Appointment of Officers and Employees
  - a. Review and evaluate the qualifications of all persons nominated to positions in the Fund which require approval and confirmation by the Board;
  - b. Review the organizational structure, plantilla, qualification standards, compensation system, management development and succession planning policies and other Human Resource related matters;

### 3. On Compensation and Remuneration

- a. Establish a formal and transparent procedure for developing a policy on remuneration for Trustees and officers to ensure that compensation is consistent with the Fund's culture, strategy and the business environment in which it operates in accordance with existing laws, rules and regulations;

### 4. On Corporate Governance

- a. Develop and monitor implementation of the corporate governance guidelines and key practices, and conduct periodic benchmark of corporate governance practices and, as needed, recommend appropriate changes;
- b. Review and recommend to the Board the position to be taken by Management on critical pieces of legislation;
- c. Oversee and monitor, including but not limited to, the Fund's compliance to the Anti-Red Tape Act of 2007 (RA 9485);
- d. Administer and oversee compliance with the Code of Ethics;
- e. Investigate any potential conflict of interest by a Trustee and institute a process for handling conflict of interest situations in line with ethical and other regulatory standards
- f. Manage the process whereby the Board annually assess its performance, and report the results of this evaluation to the Board along with any recommendations for improvements;
- g. Recommend committee assignments, including committee chairmanships, to the Board for approval;
- h. Review / recommend for Board approval policies, guidelines, and programs related to membership generation and/or reactivation, and monitoring of membership level.

## **IV. MEETINGS**

The Committee will meet at least monthly, every 3<sup>rd</sup> Thursday of the month, and may convene additional meetings, as circumstances may require. The Secretariat shall, upon consultation with the Chairman and Senior Management, prepare an agenda in advance of each meeting. Three (3) members present shall constitute a quorum.

## **V. FUNCTIONAL AND SECRETARIAT SUPPORT**

The Office of the Corporate Secretary shall support the BGC in the rendition of its functions, through:

1. Provision of secretariat support to the Committee;
2. Attendance by assigned personnel to Committee meetings and responsibility for recording the minutes of the meeting; and

3. Safekeeping of minutes of meetings as well as reports received from management and/or other sources, and making these available for inspection by any member of the Committee or the Board, as and when needed.

## **VI. REPORTING**

The Chairman of the Committee may report its activities to the full Board on a regular basis and to make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.

## **VII. CHARTER REVIEW**

The Board Governance Committee shall review and reassess the suitability of this Charter at least once a year, or when necessary, to align with the annual plans and targets of the Fund.

## **VIII. EFFECTIVITY**

This Charter shall take effect upon its approval.