



TALETE KING PANYULUNG KAPAMPANGAN (A MICROFINANCE NGO), INC.

CHARTER OF THE BOARD OF TRUSTEES

I. PURPOSE

The Charter of the Board of Trustees sets out the roles, responsibilities, and accountabilities of the Board of Talete king Panyulung Kapampangan (a Microfinance NGO), Inc. together with provisions on board composition, board committees, and board governance subject to provisions of the Talete king Panyulung Kapampangan (a Microfinance NGO), Inc. Articles of Incorporation, By-Laws, and applicable laws. The Charter is not intended to limit, enlarge, or change in any way the responsibilities of the board as determined by such Articles of Incorporation, By-Laws, and applicable laws.

II. DEFINITION OF TERMS

- **Regular Member** – person admitted as member of the corporation who is not yet a member of Board of Trustees; membership is limited to one year from the date of his/her admission unless renewed & re-admitted. The tenure of his/her membership is supported by a written document.
- **Board** – Board of Trustees of the corporation
- **Chairperson** – The Chairperson of the Board of Trustees. He/She is the head of the corporation and presiding officer of the meetings of the board of trustees and those of its members.
- **Corporation** – The Talete king Panyulung Kapampangan (A Microfinance NGO), Inc.
- **TPKE Microfinance NGO** – The Talete king Panyulung Kapampangan (A Microfinance NGO), Inc.

III. BOARD OF TRUSTEES

1. Composition


The TPKE Microfinance NGO Board of Trustees shall consist of nine (9) members coming from the regular members of the corporation. The corporate powers of the corporation shall be exercised, its business conducted and its properties controlled by the board of trustees.

2. Term of Office

The members of the Board shall serve for a maximum of three (3) terms of three (3) years each term, or a total of nine (9) cumulative years from the date of first appointment. A minimum of one (1) year cooling-off period shall be provided before a trustee can be reelected after serving a maximum of three (3) terms of three (3) years each term.

3. Vacancies

Any vacancy in the Board, except those due to removal or expiration of term, shall be filled by the vote of at least majority of the remaining Board, if still constituting



a quorum, from among the members of the corporation nominated by the Board Governance Committee. The Board Governance Committee shall nominate at least two members for every vacancy to be filled. A Trustee so elected to fill a vacancy shall serve only for the unexpired term of his/her predecessor.

4. Remuneration

The Board shall not give its trustees remuneration other than the per diem; the amount of which shall be set by the Board.

5. Powers of the Board

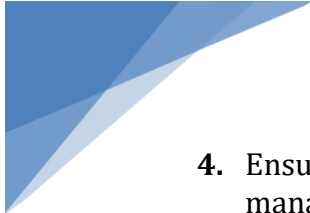
The Board shall have the general management of the affairs of the corporation and such powers and authorities set in the TPKE Microfinance NGO By-Laws or by the statutes of the Republic of the Philippines explicitly conferred upon it. The Board shall have the following expressed powers:

- a. From time to time to make and change rules and regulations not inconsistent with the By-Laws for the management of the corporation's affairs and officers;
- b. To supervise the finance of the corporation;
- c. To admit and re-admit members to the corporation;
- d. To purchase or otherwise for the corporation's property, rights and privileges necessary or incidental to the purpose of which the corporation is authorized to require such price at such terms and conditions and of such considerations as it shall from time to time see fit;
- e. To sell, exchange, or otherwise dispose of any of the corporation's properties, rights and privileges; to borrow money for the corporation, and for such purpose make and issue mortgages;
- f. To delegate from time to time any of the powers of the Board as authorized by law, the course of the current affairs of the corporation, to any standing or special committee or to any officer.

IV. ROLES AND RESPONSIBILITIES

The following are roles and responsibilities of the Board:

1. Makes decisions on the following policy areas:
 - a) corporate mission and strategy of TPKE Microfinance NGO;
 - b) programs and services to be offered by the corporation;
 - c) recruitment, termination, remuneration, benefits, formation, and maintenance of top management;
 - d) organizational structure and functions;
 - e) funds procurement and investment; and
 - f) annual budget.
2. Annually reviews the vision, mission, and goals of the corporation and shall revise the same, as may be necessary, in accordance with the strategic directions of the corporation.
3. Ensures the integrity of the corporation's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place such as system for risk management, financial and operational control, and compliance with laws and relevant standards.

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4. Ensures and adopts a succession planning program for the Trustees and management to ensure the continuity and sustainability of the corporation.
 5. Appoints the President and CEO and key management personnel of the corporation based on a set qualification by the Board. The President and CEO shall be a different person from the Chairperson of the Board.
 6. Monitors and manages potential conflicts of interest in situations and transactions of Management, Board of Trustees, and members.
 7. Establish disclosure policies and procedures to ensure comprehensive, accurate, reliable and timely disclosure to its members and other stakeholders of the organization's financial condition, results and operations.
 8. Establish clear policies and programs to provide mechanism on the fair treatment of stakeholders and for their complaints and feedback.
 9. Promotes cooperation between stakeholders and TPKE Microfinance NGO in carrying out its vision, mission, goals, and in promoting social welfare and sustainability.

V. ETHICAL STANDARDS

1. The Board of Trustees is expected to apply high professional and ethical standards taking into account the interest of all members and other stakeholders.
2. The Board shall adopt a Code of Conduct and Ethics that provides standards for professional and ethical behavior as well as acceptable and unacceptable practices in internal and external dealings.

VI. CONFLICT OF INTEREST

1. Board of Trustees are expected to avoid any action, position or personal interest that conflicts with an interest of the corporation, or gives appearance of a conflict.
2. A trustee with a material interest in any transaction affecting TPKE Microfinance NGO must abstain from taking part in the deliberation of the same.

VII. BOARD COMMITTEES

The Board shall have a Governance Committee, a Finance and Risk Management Committee, an Audit Committee, a Human Resource Committee, and a Training and Transformation Committee and other committees the Board deemed is necessary in the operations of the corporation. The membership, responsibilities, and such other matters relating to the functions of each Committee shall be set forth in their respective charters.

The Chairpersons and members of the Committee shall be nominated by the Governance Committee, except for the Governance Committee wherein the Chairperson and members shall be appointed by the Board, and the whole Board shall approve such nominations. Any vacancy occurring in a Committee shall be filled up in accordance with the provisions of their respective charters.



VIII. MEETINGS AND QUORUM

1. Annual Meetings

As stipulated in the TPKE Microfinance NGO By-Laws, the annual meeting of the members shall be held at the principal office of the corporation at 5:30 in the afternoon every last Thursday of July of each year. Notice of such meeting is hereby dispensed with.

2. Monthly Meetings

Monthly meetings of the members of the board shall be called every third Friday of the month. During such meetings, the President shall render his monthly report to the board regarding the activities of the corporation.

3. Special Meetings

Special meeting of the Board for any purpose shall be called at any time by the Chairperson of the Board, or in his absence, inability to act, refusal to act, by the President or upon petition of 1/3 of the general membership. Such meetings may be held at the principal office of the corporation or at any place which shall be designated by resolution of the Board or written consent of all members of the Board.

4. Minutes of the Meeting and Materials of the Board Meeting

The materials for the meetings shall be given to each Trustee at least three (3) working days prior to the intended meeting to give the Trustees sufficient time to read and prepare for the meeting.

Minutes of the meeting shall be recorded and maintained by the Corporate Secretary or by the Board Secretariat. The Board Secretariat is not required to be a member of the Board but such must be an employee of TPKE Microfinance NGO.

5. Quorum

The presence of the majority of members of the Board shall constitute a quorum for the transaction of any business and every decision of the majority of the quorum duly assembled as a Board shall be valid as a corporate act.

IX. BOARD ORIENTATION AND CONTINUING EDUCATION

The new members of the Board of Trustees shall be given orientation to have better understanding and knowledge about TPKE Microfinance NGO and its subsidiaries, its areas of operations and programs and services, By-Laws and other applicable laws, the roles and responsibilities of the Board and the different Board Committees, the vision, mission, social, financial and governance goals, and such other related matters.

A continuing education program shall also be given to the members of the Board through attendance in trainings, seminars, workshops, conferences, among others to keep them up to date of the developments in the microfinance industry and aid them in fulfilling their governance responsibilities.



X. PERFORMANCE EVALUATION

The Board shall conduct an annual performance evaluation of the Board as a whole, the individual trustees, and Board Committees using a Board-approved evaluation tool to ensure that the corporation is well-run, sustainable, and true to its mission.

The Board Secretariat in coordination with the Governance Committee shall facilitate the annual evaluation.