



## COMPENSATION COMMITTEE

### MEMBERSHIP

**Chair:** Ms. Victoria A. Dee

**Members:** Mr. Richard C. Dee

Mr. Kamrul H. Tarafder

Ms. Ma. Esther O. Santos

Ms. Florinda M. Lacanlalay

### CHARTER

#### **Purpose**

The Compensation Committee is a standing committee appointed by the Board of Trustees to provide oversight over the Foundation's employee compensation program, ensuring that the compensation scheme is consistent with the Foundation's culture and strategy, effectively aligned with prudent risk taking, and commensurate with the performance of the Foundation and the individual.

#### **Membership and Operations**

The Committee shall be comprised of at least three members appointed by the Board. The Board may appoint members outside of the Board of Trustees, but the Committee shall include at least one member of the Board of Trustees. The Board shall designate one Committee member as the Committee's Chairperson. Each member shall possess skills or experience that would be of ongoing benefit to the Committee in carrying out its mandate.

The Committee will meet at least quarterly, or more frequently as circumstances dictate. The Chairperson or the majority of the Committee's members may also call a special meeting when deemed necessary. Members of the Committee who are unable to be physically present may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment whereby all persons participating in the meeting can hear each other. A majority of the members of the Committee shall constitute a quorum to transact business. The Committee Chairperson will approve the agenda for the Committee's meetings, though any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as is practicable. The minutes of the Committee



meetings shall accurately record the significant discussions of, and decisions made by, the Committee, including all recommendations to be made by the Committee to the Board, and shall be distributed to Committee members with copies given to the Chairman of the Board and the President & CEO. The Committee will report to the Board on a regular basis.

In carrying out its duties and responsibilities, the Committee shall have the authority to meet with and seek any information it requires from employees, officers or relevant external parties. The Committee shall meet, as deemed necessary and appropriate, with management and other employees of the Foundation, in separate executive sessions. The Committee shall have direct access to, and complete and open communication with, the Foundation's management. The Committee shall have the authority to conduct investigations into any matters within its scope of responsibility.

The Committee, under the direction of the Committee Chairperson, may also employ any outside experts, legal counsel or other personnel deemed by the Committee in its collective judgment to be reasonably necessary, and in the best interests of the Foundation, to enable the Committee to ably perform its duties and satisfy its responsibilities. The Committee shall promptly notify the Chairman of the Board of the retention of any such advisors.

The Committee shall have the appropriate resources to discharge its responsibilities. The Foundation shall provide appropriate funding, as determined by the Committee, for the payment of (i) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities and (ii) reasonable compensation to any consultants and independent advisors retained by the Committee. The Foundation, at the Board's discretion, may provide (i) reasonable per diems for Committee members who are part of the Board for attending relevant meetings and (ii) reasonable compensation to Committee members who are not members of the Board.

The Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties and responsibilities, and may establish such rules as it determines necessary or appropriate to conduct the Committee's business.

The Committee shall review and assess annually its performance, and report the results to the Board. The Committee shall review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.

### **Duties and Responsibilities**

The Committee is responsible for performing the following duties and responsibilities as well as any other duties and responsibilities that are otherwise required by law or are delegated to the Committee by the Board:



- A. Review the Foundation's existing policies and procedures on compensation and benefits, and recommend any changes needed;
- B. Align the remuneration of management with the nature, objectives and long-term interests of the Foundation;
- C. Review and recommend any appropriate revisions to the existing salary structures and incentive plans;
- D. Review the annual salary increase budget and any significant changes to the salary structure that may significantly impact salary costs in the short or long term;
- E. Oversee the identification and management of risks associated with the Foundation's compensation policies and practices;
- F. Ensure the timely dissemination to employees of the Foundation's policies on compensation and benefits;
- G. Review the talent development process for key management positions within the Foundation. Ensure that appropriate training programs are in place to assist employees in learning to do their jobs better and to prepare employees for assignments of greater responsibility;
- H. Review any proposals for an early retirement program as well as any severance/termination payments proposed for the Foundation's staff;
- I. Oversee the identification and management of human resource conflict of interest situations;
- J. Recommend a pension plan design to the Board if so directed; and
- K. Review and assess annually its performance, and report the results to the Board. Review and assess annually the adequacy of this Charter and, if appropriate, recommend to the Board changes to the Charter.



Pursuant to the requirement of the Microfinance NGO Regulatory Council, this Compensation Committee Charter is signed and approved by the Board of Trustees on May 14, 2019.

**KAMRUL H. TARAFDER**

**VICTORIA A. DEE**

**RICHARD C. DEE**

**ESTHER O. SANTOS**

**ERIC ALBERT L. GOTUACO**

**EDWARD S. GO**  
Chairman