

PROCEDURE FOR NOMINATIONS AND ELECTION OF THE BOARD OF TRUSTEES

The Governance Committee hereby approves the following guidelines for the conduct of nominations and election of the incoming board of trustees during the membership meeting on 14 May 2021, via the online meeting platform called "Zoom" per notice of said meeting dated 14 April 2021:

1. Upon adoption of the Amended Articles of Incorporation and By-Laws of KCCDMFI, the Board of Trustees shall call for a new election of trustees by the Members Assembly.

2. Election of board of trustees shall be based on the following provisions of the By-laws:

a. Article III. The Trustees.

Section 2. Composition. The board of trustees shall be composed of seven (7) trustees who are elected by the members, at least one (1) of whom shall be an active client of the corporation. Majority of the trustees shall be independent trustees, who are neither employees nor clients of the Microfinance NGO (as amended on February 08, 2020).

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Section 5. Term of office. The trustees' term of office shall be staggered. For the initial set of Trustees, one third (1/3) of those garnering the highest number of votes shall hold office for three (3) years; the next one third having the second highest number of votes shall hold office for two (2) years, and the last one third (1/3) of the trustees having the least number of votes shall hold office for one (1) year. Elections shall be held annually to fill up the resulting vacancies. Except for the aforesaid initial set of Trustees, succeeding Trustees shall hold office for three (3) years. (as amended on February 08, 2020).

b. Considering that there are seven (7) trustees to be elected, two (2) trustees will be elected for a term of three (3) years, two (2) trustees for a term of two (2) years and three (3) trustees will be elected for one year. The term of office will be based on the number of votes received by the elected nominee.

3. At the proper time during the members Assembly the, KCCDMFI Chair will call for election of new trustees. He will yield the Chair to the Nomination and Election Committee (NOMELEC), which will preside over the nominations and election process.

4. The nominations committee will consist of the following members:

- a. Marissa V. Fortuna as Chairperson
- b. Noel D. Simbajon, as member

5. The nominations process shall proceed as follows: (NOTE: Other processes are applicable only by Face-to-Face nominations)

a. The Chair of the nominations and elections committee (NOMELEC) with two members shall be seated in front of the assembled members;

b. The NOMELEC chair will declare that the table is open to receive nominations for board of trustees from the floor;

c. If the number of nominees for trustees reach only seven (7), the NOMELEC chair shall declare the nominations closed and thereafter as unanimously carried, and thereafter require the assembly to cast their votes upon the proper ranking of the seven (7) nominees, to determine the appropriate term of each nominee. The first three (3) who shall garner the highest number of votes shall serve for three (3) years; the next two (2) nominees with the highest number of votes shall serve for two (2) years, and the last two (2) nominees shall likewise serve for two (2) years.

d. If the number of nominees for trustees made on the floor exceed seven (7) nominees, the NOMELEC Chair shall declare that the nomination closed and proceed to election by secret balloting. Ballot forms will be distributed to the members; and

e. The ballot form will list the names of the nominees with a small box after the name.

6. The NOMELEC chair will announce the system of voting, which is comprised of the following steps/rules: (NOTE: Other steps/rule are applicable only by Face-to-Face voting)

a) Each member has seven (7) votes, one for each trustee he/she wants to vote for. He can vote for seven or less than seven. Voting will be done by marking a check or a cross within the box after the name of the nominee.

b) The voter will drop the accomplished ballot in a ballot box placed in front of the assembly.

c) After the members have cast their votes, the Chair will announce that the voting is closed, and proceed to the canvassing of the ballots.

d) The Chair will direct a NOMELEC member to open the ballot box and count the ballots. The ballots shall not exceed the number of members who cast their ballots.

e) The NOMELEC will then tally the votes for each of the nominees.

f) The NOMELEC chair will announce the results and declare the trustees duly elected.

After the election, the newly elected board of trustees will meet and elect or select the Chair, President, Secretary and Treasurer of KCCDMFI.