

KCCDFI Mutual Benefit Association Inc.

BOT Election Guidelines

Board of Trustees shall be the governing body of the KCCDFI Mutual Benefit Association. It is composed of seven (7) members, 2 of which shall be independent Trustees. The officers shall be the *President, Vice President, Secretary and Treasurer.*

I. Composition of the Board

1. The Board of Trustees shall consist of (7) members namely the following;
 - a. Four (4) trustees shall be elected from the active members of with existing loans funded by the KCCDMFI.
 - b. One (1) Trustee duly appointed from KCCDMFI
 - c. Two (2) Independent Trustees.

The Board of Trustees are elected during the Annual General Membership Meeting (AGMM) thru proxy voting.

II. Qualifications of the Board

The trustees to be elected from the general membership must have the following minimum qualifications to be elected as a member of the Board.

- a. Must be eighteen (18) to sixty five (65) years old;
- b. Must possess leadership skills and competence necessary to execute the duties of a Trustee.
- c. Be an active MBA Coordinator for at least one year at the time of her nomination as Board of Trustee and whose term not expiring on the date of election;
- d. A recognized active member of KCCDFI MBA, Inc. or any of its affiliates for at least five (5) years;
- e. Has consistently performed very satisfactory as a member of the KCCDFI MBA's affiliated institutions with 100% repayment rate and 90% attendance in center meeting, for at least three (3) years.
- f. Has ongoing business funded by loan from any of KCCDFI MBA's affiliates;
- g. Has no conflict of interest or is not engaged in any business or activity similar to or in competition with the business of or services offered by KCCDFI MBA.
- h. Has no pending administrative, civil or criminal case; and
- i. Willing to perform the functions of a Trustee without any remuneration.

The Trustee nominee from the General Membership shall be selected from among the KCCDFI MBA Coordinators selected per Branch of KCCDMFI.

An officer or an employee of KCCDFI MBA or any of its affiliates may also be elected as a member of the Board of Trustees provided that, He/She has served the KCCDFI MBA or any of its affiliate/s as an officer or an employee for at least three (3) years, and is willing to perform functions of a trustee without any remuneration.

No member convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code of the Philippines committed within five (5) years prior to the date of her/his election or appointment, shall qualify as a Trustee or Officer. In addition, a member whose membership has been terminated due to various reasons, and/or has resigned from membership with the KCCDFI Mutual Benefit Association Inc. or any of its affiliates, shall also be disqualified from being a Trustee or Officer.

The Independent Trustee shall mean a person other than an officer or an employee of the Association, its subsidiaries, or any other individual having any relationship with the Association, which could interfere. He/she should be independent of management and free from any business or other relationship that could materially interfere with the exercise of his independent judgement.

An independent trustee shall refer to a person who:

1. Is not or was not a regular trustee, officer or employee of the Association, its subsidiaries, affiliates or related companies during the past three (3) years counted from the date of his election/ appointment;
2. Is not or was not a regular director, officer and employee of the Association's substantial stockholders and their related companies during the past three (3) years counted from the date of his election/ appointment;
3. Is not an owner of more than 2% of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the Board of trustees of the Association, or any of its related companies or its majority corporate shareholders;
4. Is not a relative by affinity or consanguinity within the (4th) degree of a director, officer, or stockholder holding shares of stock sufficient to elect one (1) seat in the board of the covered entity or any of its related companies or any of its substantial shareholders;
5. Is not acting as a nominee or representative of any director or substantial shareholder of the Association, any of its related companies or any of its substantial shareholders;
6. Is not or was not retained as professional adviser, auditor, consultant, agent or counsel of the association, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election/ appointment;
7. Is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the covered entity or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgement.
8. was not appointed in the covered entity, its subsidiaries, affiliates or related companies as

Chairman “Emeritus”, “Ex officio”, Regular Directors, officers or members of any Advisory Board, or otherwise appointed;

9. is not affiliated with any non-profit organization that receives significant funding from the covered entity or any of its related companies or substantial shareholders; and
10. is not employed as an executive officer of another company where any of the covered entity’s executives serves as regular directors.

Independent Trustees shall be preferably be a college graduate with trainings and exposure in governance, accounting and management.

III. Term of Office of the Board

Both the (5) and the two (2) Independent Trustees shall hold office for three (3) years until their successors are duly elected and qualified; Provided, that the (4) Trustees shall serve for staggered terms of office, with half or two (2) of them shall be elected at each election period and shall hold office until their successors are duly elected and qualified.

For the initial set of Trustees, two (2) of those garnering the highest number of votes shall hold office for three (3) years; while the two (2) second highest in the number of votes shall hold office for two (2) years. Except for the aforesaid initial set of Trustees, succeeding trustees shall hold office for three (3) years.

The elected members of the Board of Trustees shall serve beginning immediately following their election for a term of three (3) years until their successors shall have been elected. Provided that, no member shall serve as member of the Board of Trustees for more than two (2) consecutive terms except for the independent trustees who may serve for a maximum cumulative term of (9) years and shall be perpetually barred from any re-election.

Election Rules and Guidelines for 2021

1. The Trustee representative of KCCDMFI appointed by the institution and the Independent Trustees shall be elected/appointed by the general membership upon the nomination and recommendation of the Board of Trustees.
2. The Trustee nominee from the General Membership shall be selected from among the KCCDFI MBA Coordinators selected per Branch.
3. The four (4) representatives from the general membership shall be elected from among the qualified nominees during the Annual General Membership Meeting. Once elected as Board of Trustees, they shall automatically be deemed resigned as MBA Coordinator.

Voting Qualifications

- A. All Active members have the right to vote.
- B. At least 18 years old to 65 years old.

Manner of Voting

Members shall be entitled to one vote and they may vote whether in person or by proxy which shall be in writing and filed with the secretary before the scheduled meeting.

Proxy Voting

1. Proxy votes form shall be discussed by the FCO to qualified voters during center meeting;
2. A member may vote in proxy by filing –up the proxy voting forms designating his/her respective MBA coordinator to represent him/her in the AGMM;
3. All filled up proxy voting forms shall be forwarded to KCCDFI MBA Office before the actual date of AGMM for proper consolidation of actual votes gathered.

Actual Election of Board of Trustees

1. The nominees and representatives with corresponding number of proxy votes gathered and the current KCCDFI Board of Trustees shall be qualified voters for this BOT election at AGMM, official ballot form will be given to each one of them;
2. The official ballot shall have two (2) parts. First part, where actual votes are being casted and the second part, information and validation;
3. Each official ballot shall bear a voter's control number;
4. The official list of the nominees are attached to the secrecy folder at the voting booth;
5. A ballot box shall be provided to secure the filled up ballots prior to canvassing.

Casting of Votes

1. All nominees are required to attend the election. Any nominee who fails to attend the actual day of election shall be disqualified for election.
2. Since proxy votes was already counted and carried by MBA coordinator/ representatives, official ballots for canvassing are expected to be less than twenty(20);
3. Four voters at a time may cast their votes at the booth.
4. Each voter have to choose (4) candidates among the nominees to fill up the vacant position at the Board of Trustees;
5. In case the official ballot contains more than four (4) shaded votes, it shall be considered invalid or void.
6. After casting of votes, the voters are allowed to drop their accomplished ballot in the ballot box. For voter's voting via zoom video conferencing they shall be required to send the screenshot directly to the designated technical officer who in turn shall print the said accomplished ballot endorse to the chairman of the election committee and drop it in the ballot box.

Close of Voting

1. The voting shall be closed once all the qualified voters' have casted their votes;
2. The actual closing of votes shall be announced by the Nomination and Election committee followed immediately by canvassing of official ballots;

Canvassing and Tabulation of Ballots

1. Reading of ballots will be done in the presence of all candidates and members interested to watch the proceedings.
2. A projector screen will be placed on the venue of the election where candidates can see the on-going reading of ballots and updates regarding the election
3. A written (chalkboard) or a tally sheet will also be simultaneously updated with the results
4. In case of tie for any position, the Nomination Committee may either summon the parties concerned to reach for a common agreement in which case they may wish to call for another election or waived the position, agree to split the term of both candidates, as the case might be.
5. Consideration in the reading of the names of the candidates:
 - a. Names of candidates written that bear a similar sound of the name shall be considered as valid;
 - b. Ballots without the proper markings made by the Nomination Committee shall be invalid.
6. The First (4) nominees with the highest number of votes shall be announced as winners.

Section 1: Rationale

The guidelines serves as **regulatory tool** to **control behaviors and other norms** expected in the arena of the electoral processes. It would be at best **for purposes of a clean, orderly, fair and justified electoral process.**

Section 2: Powers, Duties, and Responsibilities of the Nomination Committee

1. Nomination Committee shall be composed of at least three (3) members of the board of trustees, one of whom must be independent.
2. Shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Trustees. It should prepare a description of the roles and capabilities required of a particular appointment.
3. The nomination committee is hereby vested sole authority to conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners. The nomination committee shall likewise be the judge of all electoral contests, including questions on the qualification of candidates and its decision shall be final unless appealed to the Board of Trustees whose decision shall be final. Further, the nomination committee may be tasked to supervise the election of KCCDFI Mutual Benefit Association Inc.
4. The elected members of the nomination committee shall serve immediately after their election until after the next election.
5. The nomination committee may deputize such personnel of the head office of the KCCDFI Mutual Benefit Association Inc., which it may deem necessary to enable it to perform its function.
6. The members of the nomination committee shall not be entitled to any salary but shall be entitled to per diem and reimbursement of actual expenses for attendance of official meetings equal to those received by members of the Board of Trustees.
7. No member elected as a member of the Nomination committee shall be eligible for election

Section 3: Score and Coverage

Cover all elective positions including that of the prime officers within any and all management body of the KCCDFI MBA.

Section 4: Voting Qualifications

1. All active members have the right to vote.
2. At least 18 years old to 65 years old.

Section 5: Qualifications and Disqualification of Candidates

- A candidate must not have a conflicting interest with the business of KCCDFIMBA
- A candidate must not have more than 5 occupied elective position in other mutual benefit associations
- A candidate must not be related to any officer appointed or elected within the 3rd civil degree by affinity or consanguinity.

Section 6: Period of Candidates acceptance

- A candidate shall be accepted after due evaluation of the nomination committee and consideration of the qualifications of the candidates to a particular position.
- Acceptance period shall start: Two (2) months prior to the election period, for which the particular candidate shall be informed by the Secretary of the Nomination Committee thereof, whether the same in writing, two (2) weeks after the filling is qualified or not.

Section 7: List of Candidates

- The Committees shall pre-screen the qualifications of the nominees on the basis of the nominations and/or supporting papers and prepare a final list of candidates containing all relevant information about the nominees, and indicate the nominees for independent trustees, if any. In the unlikely event that no one among the members who made the nominations indicated any particular nominee as nominee for independent trustee, the Committees shall endorse by majority vote of their members the nominees for independent trustees who meet the guidelines/criteria set by the regulatory agencies.

Section 8: Election Paraphernalia

- The Nomination committee together with the management and staff of KCCDFI MBA, shall prepare all paraphernalia and materials needed for the election.
- The election Paraphernalia are as follows:
 - Official Ballots
 - Canvass tally sheets
 - Marker/Chalk
 - KCCDFI MBA by-laws
 - Ballot Boxes
 - Canvassing Board
 - Ball pens
 - Election sheets with names of candidates
 - Election Guidelines
 - List of Official Candidates
 - Laptop
 - Projector

Section 9: Manner of Voting

- Members shall be entitled to one vote and they may vote whether in person or by proxy which shall be in writing and filed with the Secretary before the scheduled meeting.
- Before the start of the election, the President of the Nomination committee shall Explain the procedure of the voting process.

Section 10: Canvassing and tabulation of ballots

- Reading of ballots will be done in the presence of all candidates and members interested to watch the proceedings.
- A projector screen will be placed on the venue of the election where candidates can see the on-going reading of ballots and updates regarding the election
- A written (chalkboard) will also be simultaneously updated with the results
- In case of tie for any position, the Nomination Committee may either summon the parties concerned to reach for a common agreement in which case they may wish to call for another election or waived the position, agree to split the term of both candidates, as the case might be.
- Consideration in the reading of the names of the candidates:
 - Names of candidates written that bear a similar sound of the name shall be considered as valid;
 - Ballots without the proper markings made by the Nomination Committee shall be invalid.

Section 11: Election Protest

- Election protest may be filed with the Secretary of the Nomination Committee by concerned parties within **five (5) working days after the winners have been proclaimed** by the Nomination Committee

Section 12: Election Results

- After the canvassing and tabulation of ballots, winners will be announced in the presence of the whole body.
- A meeting will be then conducted by the board members for the voting of the officers
- Result of the said meeting will be then published online. A memorandum will also be issued stating the results of the said voting of officers

Section 13: Other applicable Rules

Cases of Floor nominations

- Other members may be nominated on the floor **if the number of candidates is less than the vacant positions at the time of the general assembly election**, provided that in such event, the member accepting such nomination shall comply with the requirements of Section 4 and Section 6 of these Guidelines.
- In case of tie, the **winners shall choose the manner on how to break the tie**, such as by toss coin, equally divided term, draw lots and others agreeable to both winners.