

REVISED MEMBERSHIP ACCEPTANCE GUIDELINES

Objective:

- Revise the Acceptance Guidelines to minimize subjectivity or arbitrariness in Committee deliberations and approvals of applications for membership.
- Simplify the language and remove ambiguities in the eligibility requirement and criteria for acceptance
- Remove or reduce exemptions to the eligibility requirements
- Adopt a point system to establish the appropriate weights of the various criteria and requirements for evaluation and acceptance to Finex

Eligibility Requirements/Criteria for Acceptance:

Finex is a professional organization devoted to the continuing improvement of financial management techniques, the promotion of efficiency in business enterprises and the development and advancement of its members.

Finex is guided by the principle that financial executives hold a position of trust and confidence and, therefore, upholds a Code of Ethics and a Code of Conduct that set the standards for and guide its members actions.

To be accepted into Finex, therefore, the nominee must be of good moral character and professional standing and occupy a senior rank in his organization at the time of his nomination. In his personal and professional capacity and through the organization he represents, he should be able to contribute to the promotion of the interest of Finex and the professional development of its members.

Consistent with the foregoing, each nominee shall be evaluated on three major eligibility criteria: Personal Background, Professional Qualification and Company Ranking. A fourth criterion that captures other considerations such as the nominee's potential contribution to Finex shall, likewise, guide the evaluation of a nominee.

A Point System shall be adhered to in the evaluation and acceptance of nominees. Each of the aforesaid criterion will carry maximum points that, taken together, will total 100. A nominee must earn a minimum of 75 points to qualify and be approved by the Acceptance Committee and subsequently recommended to the Board for acceptance into Finex.

To be considered for membership in Finex, a potential member must be sponsored by two (2) Finex members of good standing. Each sponsor shall submit a written endorsement of the nominee, attesting to the latter's moral character and professional qualification and his potential value contribution to Finex. The sponsor's written endorsement shall form part of and be considered in the evaluation of the nominee.

A. Personal Background

- 25 points maximum

As a basis for determining the nominee's moral character, the following personal background will be reviewed and evaluated.

Professional reputation - 5 points

The nominee should be known for the integrity in the conduct of his profession. Absent such known favorable information about the nominee, at the minimum, there should not be any known negative information that would cast doubt on his integrity.

Credit standing - 5 points

There should not be any known issues against the nominee related to his personal credit standing.

Absence of conviction - 10 points

The nominee should not have any civil judgment of a financial nature against him. This would include but not be limited to convictions involving non-payment of credit card billings and other forms of debt.

No pending cases (as respondent)- 5 points

There should not be any pending cases involving the nominee as respondent in his personal capacity. Depending on their nature and circumstances, pending cases where the nominee is a respondent as a representative of his company may not be taken against said nominee.

If a nominee has a criminal conviction, he shall automatically be disqualified from membership regardless of the number of points he may generate from the other evaluation criteria.

B. Professional Qualification

- 30 points

The nominee's professional qualification shall be reviewed alongside the evaluation of his company's ranking.

1. Companies that meet the required ranking

The nominee should belong to the company's senior management team. Other than being CEO or COO, the nominee shall be a high ranking financial officer, e.g., VP-Finance, CFO, Treasurer, Finance Director or similar Finance position).

2. Companies that fail to meet the required ranking

a. Emerging Businesses

The nominee should be the dominant shareholder, CEO, COO or highest ranking finance officer of the company.

b. Educational Institutions

The nominee should be the President, the highest ranking finance officer or the Dean/Chairman/Program Director of the Finance or Finance related College/School and/or a member of the academe with a minimum rank of Associate Professor in Finance or any Finance related course.

c. Professional Firms

The nominee should be a partner or principal of the firm. In the case of law firms, other than the Managing Partner, the nominee should be involved in tax, corporate finance or other finance related field.

d. Government

The nominee should be any of the following:

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| National Government (Department)
and/or highest ranking financial officer | - | Secretary/Undersecretary |
| Government Owned or Controlled Corporation | - | President/GM and/or highest ranking Financial Officer. |
| Local Government Unit
highest ranking Financial Officer | - | Governor/Mayor and/or |

e. Non-government and other Not-for-profit Organizations

The nominee must be the President, CEO, COO or highest ranking finance officer of the organization.

C. Company Ranking

- 35 points maximum

1. Within Top 5000

- 35 points

The nominee should be employed, at the time of the Committee's review of his Nomination Form, in a company that belongs to the top 5000 corporations of the country, ranked according to gross revenues or sales. For this purpose, the Top 7000 list of the Philippine Business Profiles and Perspectives, Inc. or any similar publication (using SEC records as reference), deemed by the Committee to be suitable for the purpose, will be used.

Should the company not be in the aforecited list but the gross revenues/sales level reflected in its latest audited financial statements is equal or better than that of the top 5000th corporation in said list, then the former shall be deemed to rank among the top 5000 corporations for the purpose.

The company's rank in the top 5000 corporations as reckoned in the foregoing will determine the number of members that may be accepted from the same.

Rank	No. of members	Points
Top 100	10	35
101 - 200	8	35
201 - 500	5	35
501 - 1000	4	35
1001 - 2000	3	35
2001 - 3000	2	35
3001 - 5000	1	35

The reference list shall be updated annually.

Each company shall be evaluated based on its own ranking or pertinent financial condition regardless of the ranking or financial condition of its parent company or affiliate/s.

2. Outside the Top 5000

- 15 points

Should the company not meet the required ranking at the time of review by the Committee, the nominee may still be considered for membership, if he belongs to any the following:

a. Emerging Businesses

These are companies that do not fall within the top 5000 corporations as determined in C.1. above.

b. Educational Institutions

These shall be limited to schools that participated in the most recent Intercollegiate Finance Competition sponsored by Finex.

c. Professional Firms

These cover Legal and Accounting/Auditing Firms that have at least twenty (20) lawyers or CPAs, as the case may be. Membership from a law firm shall be limited to two (2) while membership from an Accounting/Auditing firm shall be limited to four (4).

d. Government

These include the Departments or Bureaus of the National Government, Government Owned and Controlled Corporations and Local Government Units.

e. Non-Government and other Not for Profit Organizations

These include foundations and associations with equity of at least P50million or membership roster of not less than 50.

D. Other Qualifications

- 10 points maximum

Based on the aforecited three criteria, the written endorsement of the two (2) Finex member-sponsors and other supporting information and documents about the company and his company which form part of the completed Nomination Form, the Committee shall assess the potential contribution of the nominee toward enhancing the reputation and standing of Finex, promoting its advocacies and supporting the professional development of its members. Among the Committee's considerations are the following qualifications/credentials of the nominee:

- Membership in good standing in other reputable organizations
- Support to Finex activities in the nominee's individual capacity or through his company
- Existing membership in Finex or other senior officer/s in his company
- Awards of distinction and other forms of recognition from reputable organizations
- Publication of works (e.g., books, articles, etc.)

The Committee members deliberating on the nomination should be unanimous in their assignment of points to the nominee for this fourth criterion.

Exception to Minimum Points Required

In cases where the total score of a nominee is less than the minimum of 75 points required for acceptance, and provided that the reason for the inability to meet the minimum points required is solely because the nominee is connected with a company not otherwise qualified under Sections B(1) and C (1) of these guidelines, then, the Acceptance Subcommittee may, by a vote of 75% of its members present during the meeting, recommend the nominee for acceptance by the Board of Directors.”

“Balik-Finex” Acceptance Guidelines

Former Finex members who are nominated back to Finex shall be evaluated according to the aforesaid four (4) criteria subject, however, to the following guidelines.

A. Re-entry Within Two Years

It has been noted that many members resign or are terminated due to their inability to meet the minimum attendance point requirement for members as a result of unexpected or temporary professional or personal circumstances (increased work load, personal problems, etc.).

Given the foregoing, a member who leaves Finex shall be given two (2) years (“temporary relief”) to rejoin Finex. Should the former member be nominated back to Finex within this temporary relief period, the Committee shall automatically grant him full points for two (2) of the acceptance criteria, i.e., Professional Qualification and Company Ranking. He shall, however, still be evaluated for Personal Background and Other Qualifications.

Once accepted, the nominee shall be exempted from payment of the one-time fee levied on new members. He shall also enjoy continuity of membership, i.e., his previous years of membership with Finex shall be counted for purposes of determining eligibility for life membership.

B. Re-entry After Two Years

Should the aforesaid two year temporary relief lapse, however, the former member cannot be nominated back to Finex until after another year. This means that said member can only be nominated back to Finex at the end of the third year from his date of departure. The former member-nominee shall be evaluated as a new member and his previous years with Finex will not be counted for purposes of determining eligibility for life membership.

The foregoing distinction is being made to give due recognition and to provide incentives to former members who make themselves available to rejoin Finex within a tight and clearly defined timeline. It is also intended to discourage whimsical resignation and re-entry to Finex purely at the leisure of the former member.

Acceptance Subcommittee Voting and Veto Power

The SubCommittee shall follow a consensus taking process in the evaluation and acceptance of nominees. There may be cases, however, when the SubCommittee is polarized and is unable to come up with clear resolution on certain issues surrounding the nominee. To address this possibility, the Chairman, when seconded by one member present in the meeting, can initiate and exercise veto power over a nomination. To prevent abuse or excessive use of said power, a vote of at least 75% of the members in attendance can override said veto.