

## **BOARD PERFORMANCE**

The effectiveness of the overall performance of Board and its individual members through peer rating are measured through the annual performance appraisal system conducted within the first quarter of each year, or on a date decided upon by the Board. The questions in the assessment are based on the duties and responsibilities of the Board as provided in the BSP Manual of Regulations for Banks, the Fit and Proper Rule of the GCG, and the DBP Revised Manual of Corporate Governance. Only those who have served the Board for three months are qualified to rate the performance of the Board.

In addition to the Board Appraisal System and Peer Assessment of Directors, an appraisal of the effectiveness of all Board-level committees is likewise conducted using the criteria and rating system approved by the Board. The raters are regular members of the specific committee, except for the Executive Committee where the raters shall be all members of the Board with at least three months of incumbency prior to the rating date.

The criteria and rating system for the Board and Board-level Committee assessments focus on their structure and composition (20%), duties and responsibilities (60%) and performance of individual members (20%). For the Peer Assessment, the criteria are Competence, Independence, Preparedness as a Director, Practice as a Director, and Development Process of the Corporate Enterprise.

For CY 2019, the appraisal systems were conducted in March 2020. The results of which were reported to the Governance Committee and to the Board of Directors. For the results of the Board-Level Committee assessments, these will be submitted to the individual committees concerned for their information.