



PEER ASSESSMENT SYSTEM FOR DIRECTORS/BOARD

The DBP Board has constituted the Governance Committee to assist in fulfilling its corporate governance responsibilities and in promoting the best interests of the Bank. Among the duties and responsibilities of the Committee is to evaluate whether or not a director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation).

In pursuance of this function, the Governance Committee shall oversee the periodic performance evaluation of the Board and its committees, including an annual self-evaluation of its performance. It shall adopt a peer rating system for assessing each director's effectiveness which shall be approved by the Board of Directors prior to its implementation.

1. Every January of each year or on a date decided upon by the Board, a peer assessment of effectiveness for each Director shall be conducted using the criteria and rating system presented in the attached form.
2. Assessment shall only be applicable to Directors who have served the Bank for at least six (6) months prior to the rating date. The Board may extend the rating date for Director/s who has/have not reached the minimum six (6) months period.
3. The accomplished forms shall be submitted to a unit or person designated by the Board who will consolidate, compute the average rating and forward the collective Board rating to the Chairman of the Governance Committee, the Chairman of the Board and the President/CEO of the Bank.
4. This collective Board rating will be derived from the Individual Director's Peer Ratings which shall be computed as follows:
 - a. Add all equivalent points for each item using the following:

STRONG (demonstrates excellent level of skills, ability, performance, tec.)	-	3 points
ADEQUATE (demonstrates effective level of skills, ability, performance, etc.)	-	2 points
NEEDS IMPROVEMENT (demonstrated minimal level of skills, ability, performance, etc.)	-	1 point
 - b. Multiply the results with the corresponding weight equivalents for each criteria.
 - c. Sum up all results and compare to the schedule below to obtain the average adjectival rating:

STRONG	-	Between 9.6 – 14.25 points
ADEQUATE	-	Between 4.76-9.5 points
NEEDS IMPROVEMENT	-	4.75 points or less

- d. For the Board's collective rating, average up the numerical equivalent points obtained by each director and translate to the adjectival rating using the same grid/scale used for the individual rating as shown in 4c.
5. It shall be the responsibility of the Office of the Corporate Secretary to furnish each Director with the relevant documents/information for the proper accomplishment of the assessments such as: biodata, attendance record, etc.

**PERFORMANCE APPRAISAL
DBP Board of Directors**

Name of Assessor : _____

Date Completed : _____

Period of Assessment : _____

Dear Board Member:

Enclosed is the self-assessment questionnaire for the performance of the DBP Board of Directors for the period stated.

Please read each statement and rank your response based on a 5-point scale. A rating of "5" indicates that you strongly agree with the statement and "1" indicates that you strongly disagree with the statement, thus:

Rating	Remarks
5	Strongly Agree
4	Agree
3	Somewhat Agree
2	Disagree
1	Strongly Disagree

A REMARKS column is also provided for further comments, if applicable.

Rest assured that accomplished self-assessment questionnaire will be treated with utmost confidentiality. A summary report will be distributed to the members of the DBP Board of Directors, through the Governance Committee after the tabulation and evaluation of the results, along with recommendations for possible consideration and action, if necessary.

Thank you.

**The Corporate Governance Unit
Office of the Corporate Secretary**

STATEMENTS/AREAS	ASSESSMENT	
	RATING (1 - Strongly Disagree; 5 – Strongly Agree)	REMARKS (Comments/Inputs)
<u>I. Board Structure and Composition (20%)</u>		
1.) The Board of Directors shall consist of nine (9) members to be appointed by the President of the Philippines as provided for in Section 8 of the Revised Charter of the Bank under Executive Order No. 81, s. 1986, as amended by R.A. 8523.		
2.) The Chairman of the Board shall be appointed by the President of the Philippines from among the members of the Board.		
3.) The Chairman shall preside at meetings of the Board and of the stockholders.		
4.) The President of the Bank shall be vice-chairman of the Board, and as such, shall assist the Chairman and act in his stead in case of absence or incapacity.		
<u>II. Board Duties and Responsibilities (60%)</u>		
Primary Responsibility and Duty		
1.) The Board of Directors fosters the long-term success of the Bank and secures its sustained competitiveness consistent with its fiduciary responsibility, which it exercises in the best interest of the Bank, the Filipino People, and other stakeholders.		
2.) The Board of Directors conducts itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.		
3.) The Board affirms its primary responsibility for the governance of the Bank and holds itself primarily accountable to the State for the Bank's operational performance.		

STATEMENTS/AREAS	ASSESSMENT	
	RATING (1 - Strongly Disagree; 5 – Strongly Agree)	REMARKS (Comments/Inputs)
General Responsibilities and Duties		
1.) The Board of Directors provides the corporate leadership of the Bank subject to the rule of law and the objectives set by the National Government through the Supervising Agencies and other regulatory bodies.		
2.) The Board of Directors ensures the establishment of the Bank's vision and mission as well as crafting of its values and standards.		
3.) The Board of Directors ensures formulation of policies necessary to carry out effectively the provisions of the DBP Charter.		
4.) The Board of Directors determines the organizational structure of the Bank, defines the duties and responsibilities of its officers and employees and adopts a compensation and benefit scheme consistent with GCG requirements.		
5.) The Board of Directors ensures that personnel selection and promotion shall be on the basis of merit and fitness and that all personnel actions shall be in pursuit of applicable laws, rules and regulations;		
6.) The Board of Directors ensures to provide sound written policies and strategic guidelines on the Bank's operating budget and major capital expenditures and approves the annual and supplemental budgets of the Bank.		
7.) The Board of Directors ensures compliance with all reportorial requirements as well as applicable laws, rules and regulations.		
8.) The Board of Directors ensures the formal adoption and annual conduct of the mandated Performance Evaluation System and the Performance Scorecard.		

STATEMENTS/AREAS	ASSESSMENT	
	RATING (1 - Strongly Disagree; 5 – Strongly Agree)	REMARKS (Comments/Inputs)
9.) The Board of Directors ensures good performance and sustainability of the Bank's "Provident Fund" which shall consist of contributions made both by the Bank and its officers and employees to a common fund for the payment of its benefits.		
Specific Duties and Functions		
1.) The members of Board of Directors execute a Formal Charter of Expectations at the start of their term and List of Disclosures as required by GCG, including a Statement confirming the truth and fairness of the GOCC's financial statements.		
2.) The Board of Directors meets regularly, ideally at least once every month, to properly discharge its responsibilities, with independent views expressed during such meetings being given due consideration, and all such meetings properly documented or minuted.		
3.) The Board of Directors determines the Bank's purpose and value, as well as adopt strategies and policies, including risk management policies and programs.		
4.) The Board of Directors ensures monitoring and evaluation on a regular basis of the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's over-all performance to ensure optimum results.		
5.) The Board of Directors ensures adoption of a competitive selection and promotion process, a professional development program, as well as a succession plan, to ensure that the officers of the Bank have the necessary motivation, integrity, competence and professionalism.		

STATEMENTS/AREAS	ASSESSMENT	
	RATING (1 - Strongly Disagree; 5 – Strongly Agree)	REMARKS (Comments/Inputs)
10.) The Board of Directors ensures the fair and equitable treatment of all stakeholders and enhances the Bank's relations with its stakeholders.		
11.) The Board of Directors ensures approval and oversight of the implementation of the Bank's strategic objectives, risk strategies, corporate governance and corporate values.		
12.) The Board of Directors ensures that operations and governance are carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness.		
13.) The Board of Directors ensures faithful compliance with the reporting and evaluation system governing GOCCs, including the periodic disclosure and examination of their operations and management, their assets and finances, revenues and expenditure.		
14.) The Board of Directors determines and approves important policies that bear on the character of the Bank to foster its long-term success, ensures its long-term viability, and strengthens and secures its sustained competitiveness.		
15.) The Board of Directors ensures the approval of loans, fixes interest rates and prescribes such terms and conditions for loans and credits as may be deemed necessary.		
16.) The Board of Directors ensures the adoption of an annual budget for the effective operation and administration of the Bank.		

STATEMENTS/AREAS	ASSESSMENT	
	RATING (1 - Strongly Disagree; 5 – Strongly Agree)	REMARKS (Comments/Inputs)
6.) The Board of Directors monitors and manages potential conflicts of interest of Directors and Management including misuse of corporate assets and abuse in related-party transactions.		
7.) The Board of Directors ensures implementation of a system of internal checks and balances and ensures that such systems are reviewed and updated on a regular basis.		
8.) The Board of Directors ensures the integrity of the Bank's accounting and financial reporting systems, including independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.		
9.) The Board of Directors ensures availability of appropriate technology systems for the identification and monitoring of key risks and key performance areas.		
10.) The Board of Directors ensures the adoption, implementation and oversight of the process of disclosure and communications.		
11.) The Board of Directors conducts and maintains the affairs of the Bank within the scope of its authority, as prescribed in the Bank's Charter and applicable laws, rules and regulations.		
12.) The Board of Directors approves and oversees implementation of policies governing major areas of the Bank's operations.		

STATEMENTS/AREAS	ASSESSMENT	
	RATING (1 - Strongly Disagree; 5 – Strongly Agree)	REMARKS (Comments/Inputs)
13.) The Board of Directors oversees the selection and performance of Senior Management through appointment/employment, monitoring and assessment of the performance, succession, regular review of Bank policies, internal controls and provision of an over-all independent check on management.		
14.) The Board of Directors consistently conducts the affairs of the Bank with a high degree of integrity.		
15.) The Board of Directors defines appropriate governance policies and practices for the Bank and for the Board and establishes the means to ensure that such are followed and periodically reviewed for ongoing improvement.		
16.) The Board of Directors constitutes committees to increase efficiency and allow for deeper focus in specific areas.		
17.) The Board of Directors ensures compromise or release, in whole or in part, of any claim or settled liability to the Bank under such terms and conditions it may impose to protect the interest of the Bank.		
18.) The Board of Directors approves the appointment, promotion and removal of officers from the rank of Vice President or its equivalent, and other more senior officer's positions.		
19.) Overall, DBP has an effective Board of Directors.		

STATEMENTS/AREAS	ASSESSMENT	
	RATING (1 - Strongly Disagree; 5 – Strongly Agree)	REMARKS (Comments/Inputs)
III. Performance of Individual Members of the Board (20%)		
1.) I understand and faithfully uphold the vision, mission, values of DBP and I am aware of my duties and responsibilities as member of the Board of Directors.		
2.) I am fully aware of the DBP Revised Charter, By-Laws, and governing principles and policies and I keep myself updated on the latest best practices in corporate governance and abide by them.		
3.) I faithfully attend the Board meetings and maintain a good record of attendance.		
4.) I come to Board meetings on time, prepared and knowledgeable about the topics to be discussed based on the agenda.		
5.) I actively participate in Board discussions with a sense of independence, open mind and objectivity.		
6.) I am committed to accomplish all duties and responsibilities of a director and always perform in the best interest of the Bank.		

Assessor's Name and Signature

**DEVELOPMENT BANK OF THE PHILIPPINES
PEER ASSESSMENT OF DIRECTORS**

Name of Director: _____

Date Conducted: _____

Assessment Period: _____

CRITERIA	RATING LEVELS			NUMERICAL RATING
	STRONG	ADEQUATE	NEEDS IMPROVEMENT	
<p>I. PERFORMANCE</p> <p>A. Competence (15%)</p> <ol style="list-style-type: none"> 1. Knowledge and ability to assess bank's strategy, business plans, management and other key issues. 2. Understanding of the long-term economic mission of the bank and its social accountability. 3. Ability to communicate thoughts, ideas and opinions on issues being discussed. 4. Ability to draw from relevant experience to address issues faced by the bank. 				
<p>B. Independence (15%)</p> <ol style="list-style-type: none"> 1. Demonstrates no conflict of interest on issues confronting the bank. 2. Ability to speak up on critical matters requiring objective opinion even if his views differ from others. 				

CRITERIA	RATING LEVELS			NUMERICAL RATING
	STRONG	ADEQUATE	NEEDS IMPROVEMENT	
<p>3. Works well with other members while not necessarily always agreeing.</p> <p>4. Ability to listen with an open mind and be sensitive to other opinions without compromising independent position.</p> <p>5. Supportive of a reasonable and independent directorate.</p> <p>6. Demonstrates integrity and high ethical standards.</p>				
<p>C. Preparedness as a Director (20%)</p> <p>1. Understands his role as director and functions of the Board vs. Management.</p> <p>2. Manifests full knowledge of facts and issues on matters being deliberated during Board and Committee meetings.</p> <p>3. Spends extra time with Chairman and CEO on relevant issues pertaining to the bank.</p> <p>4. Familiarity with management and bank facilities:</p> <p>a. Knows the key officers and managers of the bank.</p> <p>b. Visits facilities/offices</p> <p>5. Manifests knowledge of the bank's history, philosophy, style and strategic plans.</p>				

CRITERIA	RATING LEVELS			NUMERICAL RATING
	STRONG	ADEQUATE	NEEDS IMPROVEMENT	
<p>D. Practice as a Director (20%)</p> <ol style="list-style-type: none"> 1. Ability to ask appropriate questions to Management so as to add value and encourage discussions of key issues. 2. Attendance to all Board and Committee meetings of which he/she is a member. 3. Understanding of the difference between governance responsibilities and day-to-day management. 4. Ability to work effectively and constructively with Board colleagues and Management and to work as a team player. 5. Confidence and willingness to express ideas and engage in constructive discussion. 6. Ability to actively participate in decision making and willingness to make tough decisions. 				
<p>E. Committee Activity (15%)</p> <ol style="list-style-type: none"> 1. Manifests interest to participate as member of the committee when nominated/appointed. 2. Understands the process of committee work, particularly its relations with executive management. 3. Diligent and faithful in attending committee meetings of which he/she is a member. 				

CRITERIA	RATING LEVELS			NUMERICAL RATING
	STRONG	ADEQUATE	NEEDS IMPROVEMENT	
<p>F. Development Process of the Corporate Enterprise (15%)</p> <p>1. Knowledge about trends and external factors affecting the banks operations and strategic plans.</p> <p>2. Development of support and cooperation for the bank's innovative programs.</p> <p>3. Awareness of the value of governance mechanisms in enhancing shareholder value.</p> <p>4. Assistance for the growth of the bank.</p>				

II. **COMMENTS/REMARKS:**

Rating Levels:

- Strong - Demonstrates **excellent level** of skills, ability or performance, etc.
- Adequate - Demonstrates an **effective level** of skills, ability or performance, etc.
- Needs Improvement - Demonstrates a **minimal level** of skills, ability or performance, etc.

Name of Assesso