

BOARD PERFORMANCE ASSESSMENT

Policy and Procedures

Upholding and sustaining good corporate governance within the organization requires the cultivation and reinforcement of a strong ethical culture, which must be instilled from the highest levels of leadership. In this regard, in accordance with the PFDA Corporate Governance Manual, a systematic evaluation process of the Board is developed as a necessary tool in enhancing its professionalism and as a useful incentive for the Board of Directors to devote sufficient time and effort to their duties. This is instrumental in developing effective and appropriate induction and training programs for new and existing Board of Directors.

Hence, pursuant to Governance Commission for GOCCs (GCG) Memorandum Circular No. 2015-07 (3rd issue), the Board of Directors, as a matter of policy and practice, conducts an annual performance evaluation to gauge its effectiveness, recognize areas of strength, and identify aspects requiring improvement. This annual performance evaluation is undertaken through a structured evaluation process, wherein each director is required to accomplish a self-assessment questionnaire designed to measure the overall performance of the Board as a governing body, as well as the effectiveness and efficiency of its various committees.

Criteria and Process

The assessment framework evaluates the Board's effectiveness in governance, member engagement in decision-making, and contributions to committee objectives, ensuring alignment with the organization's strategic goals.

These criteria are established in accordance with the PFDA Manual for Corporate Governance, the PFDA Charter, and other governing policies issued by the GCG, ensuring that the assessment is aligned with the highest standards of corporate governance, accountability, and ethical conduct.

Each director is required to evaluate performance using a structured rating system, which consists of the following categories:

E – Excellent

G – Good

VS – Very Satisfactory

S – Satisfactory

NI – Needs Improvement

Upon completion of the assessment, the Corporate Board Secretary shall be responsible for consolidating and summarizing the results, ensuring that the findings are systematically analyzed and presented to the Board for review. The insights derived from this assessment serve as a basis for implementing strategic improvements in governance structures, policies, and decision-making processes.

Furthermore, subject to the approval of the Board, the assessment framework and methodology may be revised as deemed necessary, provided that any modifications remain in full compliance with sound corporate governance standards, as prescribed by relevant laws and GCG issuances.

Through this structured and rigorous evaluation process, the organization reaffirms its commitment to maintaining exemplary corporate governance practices, fostering a culture of accountability, transparency, and continuous improvement within the Board and its leadership structure.