

ANNUAL PERFORMANCE ASSESSMENT FOR THE PSALM BOARD AND BOARD COMMITTEES

The Annual Board Performance Assessment, which the PSALM Board approved through Board Resolution 2020-1125-09, is an appraisal tool and criteria that supplements the Performance Evaluation for Directors (iPED) System of the Governance Commission for GOCCs. It aims to evaluate the performance and effectiveness of the PSALM Board of Directors, as well as the collective performance of the Board and its Committees, pursuant to the requirement of GCG MC No. 2015-07 that mandates the establishment of Corporate Governance Scorecard within GOCC sector in compliance with R.A. 10149 (GOCC Governance Act of 2011).

I. PROCESS

The Performance Assessment for the PSALM Board is a self-assessment tool intended for the Board Directors in evaluating their individual performance and performance as a member of the Board and its Audit and Board Review Committees. It is composed of two sections: (1) Individual Performance and (2) Board / Committee Performance. The assessment tool requires the Board of Directors to rate themselves on a scale of 1-5 (1 being the lowest and 5 being the highest) using the Board-approved objective performance criteria.

II. CRITERIA

A. The criteria used in the assessment are as follows:

- For the PSALM Board

I. Individual Performance		25%
a. Fit and Proper	3 questions	5%
b. Commitment	3 questions	10%
c. Ethical Issues and Determination	3 questions	10%
II. Board		75%
a. Mandate/Leadership	8 questions	40%
b. Specific Responsibilities	7 questions	35%

- For the Board Review Committee

I. Individual Performance		25%
a. Fit and Proper	3 questions	5%
b. Commitment	3 questions	10%
c. Ethical Issues and Determination	3 questions	10%
II. Board Review Committee		75%
a. Mandate/Leadership	8 questions	40%
b. Specific Responsibilities	6 questions	35%

- For the Board Audit Committee

I. Individual Performance		25%
a. Fit and Proper	3 questions	5%
b. Commitment	3 questions	10%
c. Ethical Issues and Determination	3 questions	10%
II. Board Audit Committee		75%
a. Mandate/Leadership	8 questions	40%
b. Specific Responsibilities	7 questions	35%

B. Rating per criteria is derived through this computation:

$$\text{Weight* (total score/highest possible score)}$$

C. The average score of the individual performance becomes the performance rating of the Board as a collegial body.

III. CONDUCT

The CY2020 performance assessment of the PSALM Board and the Committees was conducted from 04 to 22 January 2021.

The results of the performance assessment will be used in formulating action steps in improving weak areas that may be noted.

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