

## ANNUAL PERFORMANCE ASSESSMENT OF THE PSALM BOARD AND ITS COMMITTEES

The Annual Board Performance Assessment, which the PSALM Board approved through Board Resolution 2022-0223-05, 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**

<b>Individual Performance</b>	
a. Fit and Proper	3 questions
b. Commitment	3 questions
c. Ethical Issues and Determination	3 questions
<b>Board</b>	
a. Mandate/Leadership	8 questions
b. Specific Responsibilities	7 questions

- For the Board Review Committee

<b>Individual Performance</b>	
a. <i>Fit and Proper</i>	3 questions
b. Commitment	3 questions
c. Ethical Issues and Determination	3 questions
<b>Board Review Committee</b>	
a. Mandate/Leadership	8 questions
b. Specific Responsibilities	6 questions

- For the Board Audit Committee

<b>Individual Performance</b>	
a. Fit and Proper	3 questions
b. Commitment	3 questions
c. Ethical Issues and Determination	3 questions
<b>Board Audit Committee</b>	
a. Mandate/Leadership	8 questions
b. Specific Responsibilities	7 questions

**B. Computation for individual performance rating:**

1. Total score for each criteria
2. Divide the total score by the highest possible score then multiply the quotient by 100%

**C. Rating Scale**

PERCENTAGE SCORE	EQUIVALENT	RATING SCALE
90.00% - 100%	Outstanding	5
80.00% - 89.99%	Very Satisfactory	4
70.00% - 79.99%	Satisfactory	3
60.00% - 69.99%	Unsatisfactory	2
0.00% - 59.99%	Poor	1

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

**III. CONDUCT**

The CY2021 performance assessment of the PSALM Board and the Committees will be conducted from 28 March to 15 April 2022. 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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