

## Board of Directors Self-Assessment

### General Policy (Section 5.12 of Manual on Corporate Governance)

The members of the Board shall conduct an annual self-rating to measure the performance of the Board and Management by accomplishing the Board Self-Assessment Questionnaire as shown on Annex A of this Manual. The Chairman of the Board shall provide parameters for the assessment of the President and CEO.

### Self-Assessment Questionnaire:

This rating instrument includes questions on the following:

- Performance of Individual Board Members
- Fulfilment of the Board's Key Responsibilities
- Quality of Board – Management Relationship
- Effectiveness of Board Processes and Meetings
- Board Structure

The final scores:                      80% - 84.99% acceptable  
    85% - 94.99% ideal  
    95% - 100% superior



LBP Leasing Corporation

### Board of Directors Self-Assessment Questionnaire

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Evaluating your performance as a director is a crucial tool that allows you to review your responsibilities and identify your strengths and areas for improvement, and helps you to set goals for a more effective performance.

Please read each statement and rank your response on a 5-point scale:

- 1 – No, I strongly disagree. This is not practiced.**
- 2 – No, but there are efforts to do so.**
- 3 – Undecided.**
- 4 – Yes, I agree, but there is some room for improvement.**
- 5 – Yes, I strongly agree.**

Please be as frank and candid as possible in your ratings and comments. Rest assured that confidentiality will be maintained at all times.

Checklist	Rating				
	1	2	3	4	5
<b>Performance of Individual Directors (5%)</b>					
1. Do I actively participate in Board meetings?					
2. Do I scrutinize and analyze key agenda items for Board meetings ahead of time?					
3. Do I think and act independently in all my decisions as a member of the Board of Directors?					
4. Do I speak up on critical matters requiring objective opinion even if my views differ from the norm?					
5. Do I know the role of the Board in strategy formulation, analysis and implementation, and the distinction from that of management?					
6. Do I fully reveal conflicts of interest?					
7. When potential or actual conflicts of interest are found, do I abstain from participating or voting?					
8. I have a good record of Board and committee meeting attendance.					
9. Am I always punctual for Board and committee meetings?					
10. Do I seek additional knowledge relevant to my directorship?					

Fullfilment of Board's Key Responsibilities (45%)	1	2	3	4	5
	1. Does the Board demonstrate commitment to good corporate governance practices and provide oversight to ensure that the Corporation is operated in a moral, legal, and ethical manner, and that decisions are carried out in accordance with applicable laws and by its own by-laws and policies?				
2. Has the Board established a clear strategic direction for the Corporation?					
3. Is the Board proactive in formulating policies to direct management towards effective strategy formulation?					
4. Does the Board review and approve annual capital and operating budget? Does it effectively monitor performance against budget throughout the year?					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
5. Has the Board asked for clear measures by which to track progress in the Corporation's pursuit of its targets?					
6. Has the Board asked for clear targets including set					

timelines of specific initiatives and action programs to support the Corporation's targets?					
7. Does the Board regularly consider the performance of peer or comparable companies in tracking the Corporation's performance and uses these as benchmarks for management?					
8. Is the culture of governance and responsibility continuously being strengthened in the Corporation?					
9. Has the Board formulated policies on corporate incentives, rewards and recognition?					
10. Does the Board undertake an annual performance evaluation of the President and CEO?					

<b>Quality of Board – Management Relationship (2%)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Is there a clear understanding of where the role of the Board ends and where that of the CEO/management begins?					
2. Has the Board discussed and approved the CEO's Key Result Areas and regularly reviews the performance of the CEO?					
3. Has the Board actively challenged the CEO/management in order to understand the business better and to drive improvements in the Corporation's performance? Is there a frank and open two-way discussion which fosters critical thinking and incisive questioning?					

<b>Effectiveness of Board Processes and Meetings (45%)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Does the Chair engage the participation of all members of the Board, particularly getting them to contribute to strategy formulation and oversight of strategy execution?					
2. Does the Chair ensure that the President and CEO has enough discretion so that management takes on the responsibility for executing strategy?					
3. Does the President and CEO keep the Board fully informed of progress and problems arising from strategy execution?					
4. Does the Board give the President and CEO sufficient direction but enough authority and responsibility to lead and manage the organization successfully?					
5. Are members of the Board given enough opportunity to engage in open dialogue so they would be part of the Board decision-making process?					
6. Does the Board conduct regular meeting every month?					
7. Do Board Committees meet regularly and their minutes regularly submitted and confirmed by the Board?					

8. Are the minutes of the meetings duly taken and show details of deliberation, particularly positions of directors on key issues?					
9. Do Directors have a right and duty to bring to the attention of the Board any serious or material matters which are of concern to them?					
10. Does the Board have clear delegation of authority to senior management and regularly review management effectiveness?					

<b>Board Structure (3%)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Does the Board have independent directors?					
2. Have Board Committees (Audit Committee, Risk Management Committee, Corporate Governance Committee) been set up, and are they functioning properly, at least by meeting regularly, following the written charters specified for their duties?					
3. Are members of the Board Committees independent in their actuations and contributions as they discharge their Committee duties?					
4. Is the Board effectively living up to its duties towards the stockholder of the Corporation, the Land Bank of the Philippines?					
5. Rate the diversity of the Board in terms of their educational attainment, work experience and background: 1 – insufficient 2 – needs improvement 3 – acceptable 4 – good 5 – excellent diversity					

Comments, Observations & Suggestions:

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Name of Director : \_\_\_\_\_

Signature : \_\_\_\_\_

Date accomplished : \_\_\_\_\_