



BPI PERFORMANCE EVALUATION

Under the guidance of the Corporate Governance Committee, the Board thoroughly reviews its performance, measured on the basis of what it delivers and how it delivers, how it meets its responsibilities to all BPI stakeholders, and how it addresses issues that impact the Board’s ability to effectively fulfill its fiduciary duties.

Using a widely-advocated, standard evaluation method of self-assessment and feedback review, performance is assessed across four (4) levels: the Board as a body, Board Committees, Individual Directors, and President and CEO. Key evaluation criteria are built on the Board’s terms of reference and committee charters, and framed around broad leadership fundamentals and best practices.

The Corporate Governance Committee processes and tabulates the results of the self-assessments and communicates them to the Board. Areas for improvement are discussed by the Board, in order to agree on remedial actions. The Corporate Governance Committee may also develop recommendations and action plans for the Board, whenever necessary and desirable. The Board conducted its 2022 annual performance evaluation in early 2023. Directors assessed that the Board as well as its committees and individual directors had performed their duties and responsibilities effectively for the past year and that there were no material issues with respect to membership, governance, and operations. This also included an assessment of the President and CEO.

The Board performance evaluation and self-assessment has the following process and criteria:

	Process	Criteria
Board of Directors	<p>The Board shall be given sufficient time to accomplish the self-assessments.</p> <p>Each individual director performs the four (4) levels of self-assessment using the prescribed forms, applying the rating scale and predetermined evaluation criteria for each level.</p> <p>For the Board and Committee-level assessments, while the directors will be rating the Board’s or Committee’s performance as a body, the accomplishment of the assessment forms is meant to be done individually, on a per director basis. This is to secure an honest, unbiased, independent, and anonymous view from each director rather than a</p>	<ol style="list-style-type: none"> 1. Strategic Foresight 2. Board Structure and Committee Effectiveness 3. Board Meetings and Procedures 4. Board and Management Relations 5. Induction and Continuing Education 6. Performance Evaluation 7. Value Creation <p>General and specific leadership standards under the above criteria are considered in evaluating the Board as a body such as:</p> <p>adequacy of the processes which monitor business performance;</p>

	<p>collective assessment that may already be subject to filtering and pre-agreement.</p> <p>Each director shall submit the completed forms on or before the deadline set by the Corporate Governance Committee or at such earlier or later date as the Board may agree upon.</p> <p>The Corporate Governance Committee processes the results of the assessments and communicates this to the Board through a Summary Report.</p>	<p>board member interaction with management; adequacy of board knowledge; appropriateness of balance and mix of skills; size of board; contribution of individual directors; board's effectiveness in use of time; if board allows sufficient opportunity to adequately assess management performance; board's ability to keep abreast of developments in wider environment which may affect BPI; working relationship between chairman and chief executive officer; segregation of duties between board and management; ability of directors to express views on each other and to management in constructive manner, etc.</p>
<p>Board Committees</p>	<p>Submission of Accomplishment Reports to the Board by the different committees. In addition, the Audit Committee submits the "Self-Assessment in the Performance of the Audit Committee" to the SEC.</p>	<p>General and specific factors relating to Committee role, membership, procedure and practice, structure, collaboration and style and effectiveness.</p> <ol style="list-style-type: none"> 1. General 2. Committee Charter and Governance <p>Each committee's assessment template is now based on their specific charter and manner of governance.</p> <p>Sample factors:</p> <ul style="list-style-type: none"> • Use of committee time • Adequacy of committee papers and frequency of meetings • Ability to access resources • Ability to keep informed in relevant areas; provision for continued development; working relationship between committee chairman and members; segregation of duties between committee and management; ability of directors to express views on each other and to

		management in a constructive manner, etc.
Individual Director	Each director is required to fill-up a Self-Assessment Form annually.	Evaluation criteria focuses on best practice benchmarking and specific director roles in the board and in committees: <ol style="list-style-type: none"> 1. Company Strategy, Developmental Role and Reputation 2. Board Engagement and Attendance 3. Performance and Governance Role In addition, the template includes separate question(s) for executive directors, independent directors and committee chairmen.
CEO/President	Each director fills up an evaluation form based on the relevant criteria. These are then submitted to the Chairman. The CEO/President's performance is also evaluated at least once a year by the Personnel and Compensation Committee and Executive Committee	For the CEO assessment, questions revolve around these criteria: <ol style="list-style-type: none"> 1. Leadership 2. Working with the Board 3. Managing Execution 4. Communication/External Relations

Third-Party Board of Directors Assessment

BSP Circular 969 states that the annual self-assessment of the Board of Directors may be facilitated by the Corporate Governance Committee or external facilitators. The SEC Code of Corporate Governance for Publicly-Listed Companies, similarly states in Recommendation 6.1, that the conduct of the annual self-assessment of the Board of Directors is to be supported by an external facilitator every three years to improve objectivity of the assessment process. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization.

In this respect, the first Third-Party Board of Directors Assessment for BPI was successfully concluded with Aon Hewitt Singapore Pte. Ltd.'s (now renamed as Aon Solutions Singapore Pte. Ltd.) in August 2020. The third-party assessment received the support of the full Board, which saw the participation of 15 out of 15 directors.

Apart from the insights gained from the third-party assessment, it is also worth noting that the exercise confirmed that the internal BPI board self-assessment follows the same construct as the evaluation conducted by an independent, foreign management consultant such as Aon. Results of the third-party assessment were presented in a report to the Board of Directors.