



**ALLIEDBANKERS INSURANCE CORPORATION**

**BOARD PERFORMANCE ASSESSMENT**

## **Performance Evaluation**

The Company recognizes that in order to sustain good corporate governance within the organization, the same sound culture must be cultivated and sustained from the top. Monitoring of the governance structure and performance of the Board and top management according to their roles is crucial.

As Company policy and practice, the Board of Directors (“Board”), conducts an annual self-assessment exercise through a self-assessment questionnaire given to each director to ensure the effectiveness of their governance, to reflect on the performance of top management including the President and Chief Executive Officer (CEO), to highlight specific strengths and to identify areas of improvement.

The assessment covers appraisal of:

- Part I – The Board of Director
- Part II – The Individual Director
- Part III – Executive Management
- Part IV – The Board Committees

## **Criteria and Process**

The assessment criteria include the structure, efficiency, and effectiveness of the Board, participation and engagement of each member of the Board, contribution of each member director to their respective Committees, and performance of Management. The criteria also reflect the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company By-Laws, Manuals, Charters and governing policies.

Each director shall follow the rating system used in the self-assessment forms:

- 5 – Excellent
- 4 – Good
- 3 – Very Satisfactory
- 2 – Satisfactory
- 1 – Needs Improvement

A portion of the form is also dedicated to the remarks, additional comments and suggestions that each director is encouraged to fill-up to further enrich the assessment process. For further clarification on this policy and the self-assessment exercise, the Board may address their queries to the Compliance Officer.

The Corporate Governance Committee shall oversee the whole evaluation process of the Board, the Committees, as well as the Executive Management.

Facilitated by the Compliance Officer, each individual director shall accomplish and sign the annual self-assessment form. The Compliance Officer shall collate the accomplished forms thereafter. The results will then be presented to the Annual Stockholder’s Meeting for their review.

The Corporate Governance Committee, through the Compliance Officer, may amend the self-assessment form as deemed necessary, provided that the same shall be compliant with sound corporate governance standards and practices and applicable law.



**2020 BOARD SELF-ASSESSMENT FORM**

**CERTIFICATION**

I attest herewith that I have honestly and faithfully answered to the best of my personal knowledge all the questions in this Evaluation Form for the period January 1, 2020 to December 31, 2020.

Name : \_\_\_\_\_ Signature : \_\_\_\_\_  
Date : \_\_\_\_\_

**Instructions:**

Please accomplish this form by completing the instructions that corresponds to your answer.

Board Committee*		Position**
1	Corporate Governance, Remunerations and Nomination Committee	
2	Audit, Compliance, and Risk Management Committee	
3	Investment Committee	
4	Executive Committee	
5	Non-Executive Committee	
6	Related Party Transaction Committee	

\*Complete only the applicable Committee Assessment where you are a Member or the Chairman

\*\* C – Chairman; M – Member; N/A – Not applicable

*To be accomplished by the Compliance Officer:*

Focus Area	Self-assessment Score	Total Possible Score	Percentage
Part I - The Board of Directors			
Part II - Individual Directors			
Part III - Executive Management			
Part IV - The Board Committees			

	Total Number of Meetings	Number of Attended Meetings	Comments
Board of Directors			
Corporate Governance, Remunerations and Nomination Committee			
Audit, Compliance, And Risk Management Committee			
Investment Committee			
Executive Committee			
Non-executive committee			
RPT committee			

Date Accomplished: \_\_\_\_\_ Compliance Officer’s Signature: \_\_\_\_\_



**Part I – The Board of Directors**

Question	Score* (1-5)	Comment
1. Does the Board have an explicit commitment to promote long term shareholder value and safeguard and respect the stakeholder interests in general?		
2. Does the Board set and periodically review and update the Corporation’s philosophy and mission?		
3. Does the Board regularly monitor the corporate performance against the strategic and business plans, and against the annual financial objectives and operating plans/targets?		
4. Does the Board have succession plan for its members and Senior Management?		
5. Does the Board review and approve all material transactions that are not in the ordinary course of business?		
6. Is the Board working towards a proper mix of Directors with varied and diverse backgrounds to ensure a high caliber of Directors?		
7. Is the Board truly collegial and no Director arrogating himself/herself the power to make decisions without the benefit of the Corporation?		
8. Is the Board committed to have a working Board of Directors whose size and composition would be conducive to active participation of all Members?		
9. Does the Board constitute the proper committees to assist in the achievement of good corporate governance?		
10. Does the Board spend enough time on strategic matters and important policy issues?		
Total Score**:		

*\*Scoring: 5 – Excellent; 4 – Good; 3 – Very Satisfactory; 2 – Satisfactory; 1 – Needs Improvement*

*\*\*To be accomplished by the Compliance Officer*

Please provide any additional comments about the Board Performance (where appropriate please reference the applicable number):

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**Part II – Individual Director**

Question	Score* (1-5)	Comment
<b>Individual Director Appraisal</b>		
1. In line with the principle of honesty and good faith, do I reserve my loyalty to the Corporation and avoid conflicts of interest?		
2. In carrying out my fiduciary duties, am I guided by the letter and spirit of the law as well as by high ethical and moral norms?		
3. Do I draw the line between Board and management responsibilities by not getting involved in management and operational issues, instead, exercise diligent oversight and regular monitoring of operations?		
4. Do I avoid any conflict of interest? Should such a conflict arise, do I follow normal procedure of abstaining and leaving the room? If such conflict is likely to be permanent, am I prepared to resign?		
5. Do I practice due diligence in carrying out my duties as a Director in general?		
a. Do I attend Board meetings regularly?		
b. Do I ask for reasonable advanced receipt of Board materials and spend enough time to study them?		
c. Do I study the issues/ matters I do not fully understand before asking questions or making judgment on how am I to vote?		
d. When present at Board meetings, do I actively participate?		
e. Do I handle each problem or situation objectively? If disagreement with other Director arises, do I carefully evaluate and explain my position and support it with plans and ideas that are beneficial to the Corporation?		
f. Do I contribute to the formulation and approval of the Corporation's strategy and long term positions?		
g. Do I have a working knowledge of the statutory and regulatory requirements that affect the Corporation and keep myself abreast with the industry developments and business trends in order to promote the Corporation's competitiveness?		
h. Do I participate in the formulation of major policies to pursue Corporation strategy?		
i. Do I carefully monitor and evaluate the Corporation's performance including the performance of its Senior Officers?		
j. Do I notify the Board in advance of any relatives and business associates with respect to the shares of the Corporation?		
6. Are the reports submitted to the Board adequate and relevant? Do they serve the Directors who must carry out their specific functions of approving		



Question	Score* (1-5)	Comment
Corporation strategy, major policies to pursue the strategy as well as monitoring and oversight?		
7. Do we have enough Independent Directors as required by law?		
8. Do executive directors (i.e. directors with management responsibilities in the Corporation) recognize the dual role they played to express their views and decisions with integrity and independence?		
9. Do we go over audit reports with due care and attention, asking for actionable points that demand consideration and decisions by the Board?		
1. Does the member of the Board adhere with the Code of Conduct which should guide all relations with the company's stakeholders and with the general public?		
2. Did I take advantage of training opportunities on corporate governance provided to me?		
<b>Chairman's Appraisal</b>		
1. Does the Chairman faithfully perform his roles and responsibilities as provided for in the Company's Manual of Corporate Governance and such other responsibilities as the Board may require, to fulfill my role in the best interest of the Company?		
2. Does the Chairman make it worthwhile for Directors to attend Board meeting by giving them every opportunity to express their views freely?		
3. Does the Chairman ensure that all Directors play their full part in Board deliberations?		
Total Score**:		

*\*Scoring: 5 – Excellent; 4 – Good; 3 – Very Satisfactory; 2 – Satisfactory; 1 – Needs Improvement*

*\*\*To be accomplished by the Compliance Officer*

I believe the Board should focus on the following priorities for the upcoming year:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Are there changes that would improve the Board's effectiveness that you would suggest?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_



**Part III – Executive Management**

Question	Score* (1-5)	Comment
1. The Board is comfortable with Management's (i.e., including President and CEO) plans to implement the approved strategy, goals and targets and is confident and satisfied in Management's ability to carry out its responsibilities in the interest of the Company		
2. Management has in place an effective process to identify risks and assess their potential impact.		
3. Management informs the Board of all key risks and the Board is confident Management addresses them appropriately.		
4. The Board sufficiently challenges and supports Management.		
5. The Board is effective in monitoring Management's implementation of the Company's strategy		
6. The Board devotes sufficient time and effort to meeting key company executives.		
7. There is open-line of communication and constructive interaction between Directors and Management.		
8. The Board continually monitors Management's performance against clear and measurable objectives, providing constructive feedback and reinforces Management's role in setting the tone at the top.		
Total Score**:		

*\*Scoring: 5 – Excellent; 4 – Good; 3 – Very Satisfactory; 2 – Satisfactory; 1 – Needs Improvement*

*\*\*To be accomplished by the Compliance Officer*

Please provide any additional comments about the Executive Management (where appropriate please reference the applicable number):

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**Part IV – Board Committees**

Question	Score* (1-5)	Comment
<b>I. General Questions on the Members of the Committee</b>		
1. Does the Committee perform its functions and duties in accordance with applicable laws and regulations, by—laws and approved charter effectively?		
2. Do I attend Committee meetings and related activities regularly?		
3. Is the Committee committed to have a working Committee whose size and composition would be conducive to active participation of all members?		
4. Do I, as a member of this Committee, observe confidentiality and duty of proper and responsible disclosure?		
5. Do I, as a member of this Committee, draw the line between Committee and management responsibilities, not getting involved in management and operational issues, but exercising diligent oversight and monitoring of operations?		
6. Does the Committee have performance evaluation system in place?		
<b>II. Corporate Governance, Remuneration and Nominations Committee</b>		<b>Applicable:</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
1. Does the Governance Committee attribute to the performance evaluation, nomination, remuneration and overall corporate governance of the Corporation?		
2. Did the Committee review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to the other positions requiring appointment by the Board of Directors?		
3. Does the Committee conduct corporate governance in a transparent and independent manner?		
<b>III. Audit, Compliance, And Risk Management Committee</b>		<b>Applicable:</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
1. Does the Audit Committee mostly composes of Independent Directors and is chaired by an Independent Director?		
2. Does the Audit Committee monitor and evaluate the adequacy and effectiveness of the Corporation's financial reporting process, internal control system, and audit process?		
3. Does the Audit Committee ensure that the works of Internal Auditor are free from interference by outside parties? Does the internal auditor report directly to the Board?		
4. Does the Audit Committee provide an oversight over the Management's activities in managing risk exposures, independence of Internal and External Auditors, and compliance functions?		
5. Does the Committee provide oversight of the Corporation's risk management framework		





including policies and procedures for an adequate direction to management of key risk areas? Does the Committee regularly report the Corporation's overall risk exposure, actions taken to mitigate the risks and recommended action plans?					
<b>IV. Investment Committee</b>	<b>Applicable:</b>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
1. Did the Committee approve, act on and review any loan or investment proposal;					
2. Did the Committee review and approve periodically any changes to the Company's investment policies and guidelines and to monitor compliance with these policies?					
3. Did the Committee review and monitor periodically the performance of the Company's investment portfolio;					
<b>V. Executive Committee</b>	<b>Applicable:</b>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
1. Did the Committee perform its functions and duties in accordance with laws and the by-laws of the Company?					
2. Did the Committee thoroughly review, evaluate and endorse for Board approval the strategic plans, thrusts, business models, forecasts and the annual budget;					
3. Did the Committee conduct periodic Management Profitability Review to determine the Company's actual performance against targets/budget?					
<b>VI. Non-Executive Committee</b>	<b>Applicable:</b>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
1. Did the non-executive director's role provided an innovative contribution to the board by providing independent oversight challenge to the executive directors?					
2. Did the non-executive directors ensure that there is an appropriate selection process for appointment of independent directors?					
3. Did the non-executive directors determine the appropriate levels of remuneration of executive directors?					
4. Did the non-executive directors ensure that there is an appropriate selection process for appointment of independent directors?					
<b>VII. Related Party Transaction Committee</b>	<b>Applicable:</b>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
1. Did the RPT board of director evaluate on a going basis, existing relations between and among businesses and counterparties to ensure all related parties are continuously identified?					
2. Did the RPT directors continuously monitored the subsequent changes in relationships and reflected in the relevant reports to the board and regulators?					
3. Did the RPT directors evaluate all related materials to ensure that these are arms' length basis and endorse the same to members of the RPT Committee for approval?					
4. Did the RPT directors oversee the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPT's including the periodic review of RPT policies and procedures?					



5. Did the RPT directors perform any task that will enable it to exercise on behalf of the RPT Board primary oversight over RPT's in accordance with the Company's Related Party Transactions Policy?		
Total Score**:		

*\*Scoring: 5 – Excellent; 4 – Good; 3 – Very Satisfactory; 2 – Satisfactory; 1 – Needs Improvement*

*\*\*To be accomplished by the Compliance Officer*

Please provide any additional comments about the Committee Performance (where appropriate please reference the applicable number):

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