

## **Orientation Program for New Directors**

The Corporate Secretary has the following responsibilities for the Orientation Program for New Directors upon their assumption:

1. Schedules a meeting for the newly-onboarded Director/s with the Management team;
2. Provides the following documents:
  - LBP Quick Guide for Ex-Officio and Non Ex-Officio/Appointive Directors
  - BSP Requirements pursuant to Section 137 of the MORB; and
3. Conducts a briefing, if requested, to discuss further any matter affecting the Director's responsibilities as member of the Board.

## **Board Meetings and Attendance**

The schedule of the meetings of the Board of Directors is agreed upon at the end of the previous year. For CY 2023, this was agreed upon during the Board meeting held on December 18, 2022. In general, there are at least two meetings scheduled per month, held every second and fourth Wednesday of each month. As much as practicable, the agenda and materials for the Board meeting are sent to the members of the Board at least three business days before the Board meeting. The Corporate Secretary from January to December 2023 was VP Atty. Myra-Lyn S. Peñalosa, who has been a member of the Philippine Bar since 1997.

For calendar year 2023, the Board of Directors was able to meet 24 times or 100% of the scheduled meetings. Moreover, the non-executive Directors and the Heads of Internal Audit Group, Risk Management Group, Compliance Management Group and the Resident COA Representative were able to meet separately on 22 December 2023, without the presence of the President and CEO, in compliance with the BSP and GCG requirements.

## **Corporate Governance Committee**

The Corporate Governance Committee is composed of three members, namely: Dir. Nancy Irlanda (Chairperson); Dir. Virgilio V. Robes – replaced by Dir. David D. Erro on 23 February 2023 (Vice-Chairman); and Dir. Jaime L. Miralles – replaced by Dir. Virginia N. Orogo on 23 February 2023 (Member). Per its charter, it has to meet at least once every quarter of every year. It held a total of six (6) meetings in 2023.

The CGCom issued 35 resolutions which tackled the Results of the Performance Rating System, Updated Manual on Corporate Governance, Organizational Changes, Transfer of Reporting Lines, Establishment of Lending Center, Early Retirement Incentive Program and Promotions of Senior Officers.

## **Performance Evaluation**

Performance evaluation of the Bank's Board of Directors is central to corporate governance. Performance rating sheets developed by the Institute of Corporate Directors (ICD) are disseminated yearly to evaluate the performance of the Board and the Board-level Committees. The results of the performance assessments are evaluated and deliberated upon annually by the Corporate Governance Committee in a duly constituted meeting.

The rating scale for each item is from 1 to 5 (5 being the highest) and the total points are rated from 0% to 100% (95% - 100.00% as Superior, 85% - 94.99% as Ideal and 80% - 84.99% as Acceptable). There are 69 items in the Board rating instrument and 38 items in the Individual Rating of Board Members.

### **Percentage weight presentation:**

- Board Rating

This rating instrument is divided into four categories with corresponding weights.

- I. Board Functions and Responsibilities (30%)
- II. Board Structure (10%)
- III. Board Process (30%)
- IV. Board Performance (30%)
  - Individual Rating of Board Members

This rating instrument is divided into five categories with corresponding weights.

- I. Competence and Independence (25%)
- II. Commitment to Corporate Governance (25%)
- III. Transparency (20%)
- IV. Audit & Risk Oversight (20%)
- V. Committee Activity (10%)

### **Computation of Results:**

Each item in this rating instrument is computed through the following:

- Average score per item = the sum of all the rates divided by the total number of directors
- Average score per director = the sum of all the rates per category divided by the total number of items
- Average score per category = the sum of all the average scores per director divided by the total number of directors multiplied by the percentage weight for each category