



MASAGANANG SAKAHAN, INC.

A Land Bank Subsidiary

FOR : THE BOARD OF DIRECTORS
THRU : THE GOVERNANCE AND RISK COMMITTEE
FROM : THE PRESIDENT AND GENERAL MANAGER
SUBJECT : PERFORMANCE EVALUATION TOOL/SYSTEM FOR
BOARD OF DIRECTORS, COMMITTEES AND
MANAGEMENT

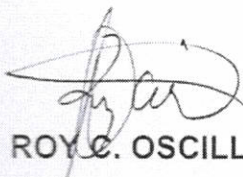
DATE : FEBRUARY 20, 2014

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In order to track and evaluate the performance of our Board and its Committees, respectfully seeking for Board approval the Proposal for the Adoption of MSI Performance Evaluation Tool/System for Board of Directors, Committees and Management.

Details attached herein as Annex A- *General Guidelines* and Annex B – CEO Evaluation Questionnaire for your reference.

For your consideration and approval.



ROY C. OSCILLADA



MASAGANANG SAKAHAN, INC.
A LandBank Subsidiary

Self-Assessment Questionnaire
for
Board of Directors



MASAGANANG SAKAHAN, INC.
A LandBank Subsidiary

General Guidelines

This rating instrument for Directors contains key self-assessment questions that elicit a comprehensive assessment of responsibilities, identification of strengths and areas for improvement in the following aspects:

- 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

Over-all Rating Scheme:	<u>Total Raw Score</u>	<u>Qualitative Rating</u>
	90% - 100%	Superior Performance
	85% - 89.99%	Ideal Performance
	80% - 84.99%	Acceptable Performance

Please read each statement and rank (with a checkmark "✓") your response based on a 5-point scale as follows:

- 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.**

Rest assured that strict confidentiality of your responses will be maintained at all times.

Checklist	Rating				
Performance of Individual Directors (5%)	1	2	3	4	5
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?					

Fulfilment 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?					
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. Has the Board ensured that Management is responsive to market forces?					
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 General Manager?					
11. Has the Board exhibited knowledge about competitive factors in the business, including customer satisfaction.					
Quality of Board – Management Relationship (2%)	1	2	3	4	5
1. Is there a clear understanding of where the role of the Board ends and where that of CEO/management begins?					
2. Has the Board encouraged a culture that promotes candid communication and teamwork?					
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?					
Effectiveness of Board Processes and Meetings (45%)	1	2	3	4	5
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 General Manager has enough discretion so that management takes on the responsibility for executing strategy?					
3. Does the General Manager keep the Board fully informed of progress and problems arising from strategy execution?					
4. Does the Board give the General Manager 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?					
Board Structure (3%)	1	2	3	4	5
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:

Name of Director :

Signature :

Date accomplished :



MASAGANANG SAKAHAN, INC.
A LandBank Subsidiary

Self-Assessment Questionnaire
for
Board Committees



MASAGANANG SAKAHAN, INC.
A LandBank Subsidiary

General Guidelines

This rating instrument for Directors contains key self-assessment questions that elicit a comprehensive assessment of board committees in the following aspects:

- Committee Composition
- Committee Management
- Committee Effectiveness
- Chair Effectiveness
- Over-all Committee Performance

	Strongly Agree	Somewhat Agree	Disagree	Strongly Disagree
Committee Composition				
1. The committee has the right number of members.				
2. The committee has members with the skills and expertise that are needed by the committee.				
Committee Management				
3. The committee meets at the appropriate time of day.				
4. The committee receives the support from management that it requires.				
5. Information is received sufficiently in advance of the meeting.				
6. The committee meets the right number of times over the year.				
Committee Effectiveness				
7. The committee is working effectively.				
8. The committee is effectively performing its role in the following areas: <i>(answer only that which pertains to the committee you are a member:)</i> a. Executive Committee/Nomination and Remuneration b. Risk and Governance c. Audit and Oversight				
Chair Effectiveness				
9. The chair is prepared for committee meetings.				
10. The chair keeps the meetings on track.				
11. The chair fairly reports the committee's work to the board.				
12. The chair encourages participation and manages discussion.				

Overall Committee Performance				
13. Overall, I am satisfied with my contribution to the committee.				
14. Overall, I am satisfied with the committee's contribution to the board.				

Comments, Observations & Suggestions:

Name of Director :

Signature :

Date accomplished :



MASAGANANG SAKAHAN, INC.
A LANDBANK SUBSIDIARY

CEO EVALUATION QUESTIONNAIRE

Please read the questions and rate the Chief Executive Officer (CEO) as follows*:

- | | | |
|---|---|-----------------------------|
| 1 | = | Unacceptable |
| 2 | = | Requires Improvement |
| 3 | = | Satisfactory |
| 4 | = | Good |
| 5 | = | Excellent |

*(√) Check your evaluation rating on respective box

Evaluation Criteria	RATING				
	1	2	3	4	5
Leadership: The CEO....					
1. Has clearly defined the basic purpose or mission of the organization.					
2. Has clearly defined a vision for the organization in the future.					
3. Has developed the team-spirit in the corporation to realize the vision and mission of the organization.					
4. Leads a planning process to establish annual goals, strategies and action plans consistent with the vision and mission of the organization.					
5. Leads a performance management process that ensures accountability in all levels of the organization and make mid-course corrections in goals and strategies as necessary.					
6. Consistently makes decisions that enable the organization to achieve its goals better.					
7. Regularly demonstrates creativity in identifying new opportunities and in solving issues that affects the organization.					
8. Communicates effectively with internal and external stakeholders to build support for the organization.					
Management: The CEO....	1	2	3	4	5
9. Has established an effective organizational structure which ensures management focus on the key functions necessary for the organization to deliver its mission.					
10. Delegates effectively to members of the management team and other personnel.					
11. Anticipates priorities and ensures management focus and accountability on addressing priorities.					
12. Solicits feedback from the organization's stakeholders and employees at all levels as input to the direction and operation of the organization.					
13. Ensures that there are clear policies established on how the organization and employees will operate.					
Evaluation Criteria	RATING				
	1	2	3	4	5
Working with the Board: The CEO....					
14. Understands the organization's requirement for good governance and supports the Board in its governance duties.					
15. Has a strong working relationship with the Chairman and the members of the Board of Directors.					

16. Updates the Board on plans, performances, issues and opportunities.					
17. Executes the direction that is provided by the Board of Directors.					
18. Assists the Board of Directors identify and manage the organization's assets and ensure that these assets are protected legally and physically from outside threats.					
Financial Management: The CEO....	1	2	3	4	5
19. Is supported by a qualified and competent financial officer who is accountable for monitoring the finances of the organization					
20. Makes decisions on where to allocate or place resources based on maximizing value to the organization.					
21. Ensures that the organization's financial records are accurate and up-to-date.					

Note: Section 3(g) of the "GOCC Governance Act of 2011" (R.A. No. 101a9) defines the "CHIEF EXECUTIVE OFFICER (CEO)" as "the highest ranking corporate executive, who could be the President or the General Manager, Chairperson or the Administrator of a GOCC."

Comments, Observations & Suggestions:

Name of Director : _____

Signature : _____