



NATIONAL POWER CORPORATION

DISCLOSURE

A. GCG-administered Internet-Based Performance Evaluation for Directors (iPED)

The Board of Directors of National Power Corporation annually evaluates and assesses its performance through a self-evaluation process that is administered by the Governance Commission for GOCCs (GCG). Consistent with the thrust of ensuring that the National Power Board observes the highest degree of professionalism in fulfilling its fiduciary duties, both Ex-Officio/Alternate and Appointive Directors rate themselves and their peers on a scale of 1 to 9, with '9' being the highest. For the Appointive Director, the rating of his/her peers serves as the incentive factor in determining the performance-based incentives.

The self-evaluation/performance assessment has the following dimensions/criteria:

1. Knowledge and Personal Development;
2. Teamwork and Communication;
3. Board Management;
4. Managerial Competency;
5. Leadership Competency;
6. Board Relationship;
7. Financial Management;
8. Product/Service Competency; and
9. Human Resource Management

The results of the **CY 2018 PED** were confidentially communicated to the Members of the Governing Board of National Power Corporation upon receipt of the scores/ratings from the GCG. For **CY 2019**, the GCG has just opened the online platform and currently, the Members of the Governing Board are completing the PED forms.

B. In-house Board and Committee Appraisal

Conscious of the fact that the Performance Evaluation for Directors (PED) is director-centric (i.e. focuses on the *contribution of the Director* to strategic thinking; and leadership, commitment and participation of the *Director* to

Board and Committee proceedings and discussions) the Office of the Corporate Secretary will be administering for the first time an *in-house* Board and Committee Appraisal covering the **CY 2019** Performance and Activities of the National Power Board and its standing committees. The Governing Board of NPC, during its 30 July 2020 Meeting, authorized the administration of the *in-house* Board and Committee Appraisal *one week after* the closure of the CY 2019 PED of GCG to ensure that members can fully participate the assessment process.

For the *in-house* Board and Committee appraisal, members of the Governing Board provide ratings on a scale of 1 to 5, with 5 being the highest on questions involving the following sections:

- a. Composition and Quality
- b. Meetings and Procedures
- c. Function and Duties
- d. Capacity Development
- e. Strategy and Risk Management
- f. Board and Management Relations
- g. Succession Planning

At the end of each question is an inquiry on how the Board or its Committee can do things better or differently. This would allow the participating Member/Director to recommend specific measures or to explicate the assessment made on a particular section.

In sum, the *in-house* Board and Committee appraisal seeks to continuously improve corporate governance practices in National Power Corporation. The results of the assessment are hoped to improve how the Board and its standing Committees oversee corporate performance and protect the interests of all stakeholders of the Corporation.