



SFA SEMICON PHILIPPINES CORPORATION

BOARD PERFORMANCE ASSESSMENT Policy and Procedures

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.¹

As Company policy and practice, the Board of Directors (“Board”) conducts a self-assessment exercise through a self-assessment questionnaire given to each director to ensure the effectiveness of their governance, to highlight specific strengths and to identify areas of improvement. The assessment covers appraisal of the Board as a governing unit, of individual directors, of the different 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, and contribution of each member director to their respective Committees. 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:

- E- Excellent
- G- Good
- VS- Very Satisfactory
- S- Satisfactory
- NI- 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.

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.

¹ OECD Principle VI(D)(2). 2015 ASEAN Corporate Governance Scorecard.

BOARD SELF-ASSESSMENT FORM
SFA Semicon Philippines Corporation

Please accomplish this form by checking the item that corresponds to your answer. Each item represents the following:

- E- Excellent
- G- Good
- VS- Very Satisfactory
- S- Satisfactory
- NI- Needs Improvement

Name: _____ Signature: _____

Date: _____

PART I BOARD APPRAISAL		
Questions:		Comments:
1. The Board has the right size and composition to bring the requisite knowledge, abilities, diversity and skills to the table.	()E ()G ()VS ()S ()NI	_____ _____ _____
2. The Board, as a whole, possessed the right skills and background for the current issues facing the company.	()E ()G ()VS ()S ()NI	_____ _____ _____
3. The Board has sufficient diversity and independence among its directors, allowing it to constructively challenge one another and management in carrying out respective functions and duties aligned with the Company's strategic directions.	()E ()G ()VS ()S ()NI	_____ _____ _____
4. The Board receives ongoing education, allowing directors to stay up to date with the developments and to understand their impact.	()E ()G ()VS ()S ()NI	_____ _____ _____

<p>5. The frequency, duration and scheduling of Board meetings per year were adequate to ensure proper coverage of the Board’s responsibilities.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>6. Directors receive adequate materials before the Board meeting.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>7. Meetings are effective with sufficient materials, limited presentation, and an atmosphere that encourage open dialogue.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>8. The Board receives appropriate information to enable it to have sufficient insight when considering management’s proposal/s.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>9. The Board evaluates the proposed plan/strategy including key assumptions, major risks, and required resources, and addresses critical issue.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>10. The Board monitors the continued viability of the plan/strategy ensuring that it is adjusted as needed to respond to the evolving environment.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>11. The Board thoroughly reviews major capital expenditures before approval and evaluates ultimate outcomes.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>12. Directors strengthen the tone at the top by clearly demonstrating the required ethical values.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>

<p>13. The Board regularly reviews the Company’s vision, mission, core values, By-laws and Manual of Corporate Governance.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>14. The Board demonstrates commitment to good corporate governance practices and provides oversight to ensure that the Company is operated in moral, legal, and ethical manner.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>15. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>16. The Board regularly and consistently considers the interest of minority shareholders to ensure their equitable treatment in the decision making process.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>17. The Board ensures that the Company has a sound and effective internal control system in place, and understands Management’s role implementing such system</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>18. There are sound policies, procedures and a system in place for related party transactions, which a dedicated Committee effectively implements.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>19. There is a clear distinction in the roles and responsibilities between the Chairman and CEO.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>PART II COMMITTEE APPRAISAL</p>		

<p>1. The Board has an effective committee structure.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>2. The delegation of power from the Board to its Committees is appropriate with their relevant corresponding Charters.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>3. The Committees regularly provide a report to the full Board and sufficiently update the Board on recent developments or such other matters that may require the Board action.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>4. The frequency of meetings for each Committee is sufficient, allowing its members to perform their responsibilities according to the functions of the Committee.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>PART III INDIVIDUAL DIRECTOR APPRAIL</p>		
<p>1. I understand and faithfully uphold the vision, mission, values and strategies of the Company.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>2. I keep myself update on the latest best practices in corporate governance and ensure I abide by them.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>
<p>3. I avoid entering into situations where I may be placed in a conflict of interest with that of Company and I promptly disclose any conflict, which may occur.</p>	<p>()E ()G ()VS ()S ()NI</p>	<hr/> <hr/> <hr/>

<p>4. I have a good record of Board and Committee meeting attendance.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>5. I come to Board/Committee meetings on time, prepared and knowledgeable about the topics to be discussed.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>6. I actively participate in Board/Committee discussions with a sense of independence and objectivity.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>7. I am aware of all policies and procedures the Board is subjected to and actively adopt these in my function as a member of the Board.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>8. I am committed to accomplish all duties and responsibilities of a director and member of my Committee/s, and will perform in the best interest of the Company.</p>	<p>()E ()G ()VS ()S ()NI</p>	<p>_____</p> <p>_____</p> <p>_____</p>

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

1. _____

2. _____

3. _____

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

1. _____

2. _____

3. _____

PART IV APPRAISAL		
1. The Board is comfortable with Management's (i.e., including Pres.& 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.	()E ()G ()VS ()S ()NI	_____ _____ _____
2. Management has in place an effective process to identify risks and assess their potential impact.	()E ()G ()VS ()S ()NI	_____ _____ _____
3. Management informs the Board of all key risks and the Board is confident management addresses them appropriately.	()E ()G ()VS ()S ()NI	_____ _____ _____
4. The Board sufficiently challenges and supports Management.	()E ()G ()VS ()S ()NI	_____ _____ _____
5. The Board is effective in monitoring Management's implementation of the Company's strategy.	()E ()G ()VS ()S ()NI	_____ _____ _____
6. There is open-line of communication and constructive interaction between Directors and Management.	()E ()G ()VS ()S ()NI	_____ _____ _____
7. The Board continuously monitors Management's performance, providing constructive feedback and reinforces Management's role in setting the tone at the top.	()E ()G ()VS ()S ()NI	_____ _____ _____

