



**“Efficiently providing you with the most reliable source of energy”**



## **I. POLICY STATEMENT**

Consistent with the key mandates of the Board of Directors of King Energy Generation Inc. ("KEGI" or the "Company"), the Company hereby formalizes the Performance Appraisal/Assessment Policy ("Policy").

This policy is intended to enable the Board to identify the overall strengths and specific areas of improvement of the Board and its working committees based on the results of the appraisal/assessment.

## **II. PERFORMANCE APPRAISAL/ASSESSMENT POLICY**

### **Rationale**

The policy is created in recognition of the need to comply with Securities and Exchange Commission ("SEC") Memorandum Circular No. 24, Series of 2019, Section 1. Establishing a competent Board, which requires the Chairperson of the Board to make sure that the performance of the Board is evaluated at least once a year and discussed or followed up on if necessary.

In line with corporate governance's best practices and in accordance with the key mandates of the Directors, the results of the assessment will be used as a reference to obtain feedback from the members of the Board for evaluation and improvement of the Board's and the Board Committee's performance.

1. As stipulated in Section 9.1. of the Company's Manual of Corporate Governance, the Nomination, Remuneration, and Corporate Governance Committee's duties and responsibilities includes the following:
  - a) Recommend processes and mechanisms for evaluating the performance of the Board, the Board Committees, and Management;
  - b) Oversees the periodic performance evaluation of the Board and its committees as well as the executive management, and conducts an annual evaluation of the said performance;
  - c) Ensures that the results of the Board evaluation are discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.
2. To set a parameter for the measurement of the Board, Board Committees, Directors, and Management's annual performance (from January to December), the Nomination, Remuneration, and Corporate Governance Committee shall request Directors, Board Committees, and the Management to complete a standard assessment wherein they will be requested to rate the performance of the Board, Board Committees and the Management. Self-assessment will be requested from all Directors whereas for the Chief Executive Officer's performance, all Directors will rate his/her performance.