



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02)** between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

PHILIPPINE EXPORT-IMPORT CREDIT AGENCY (PHILEXIM)

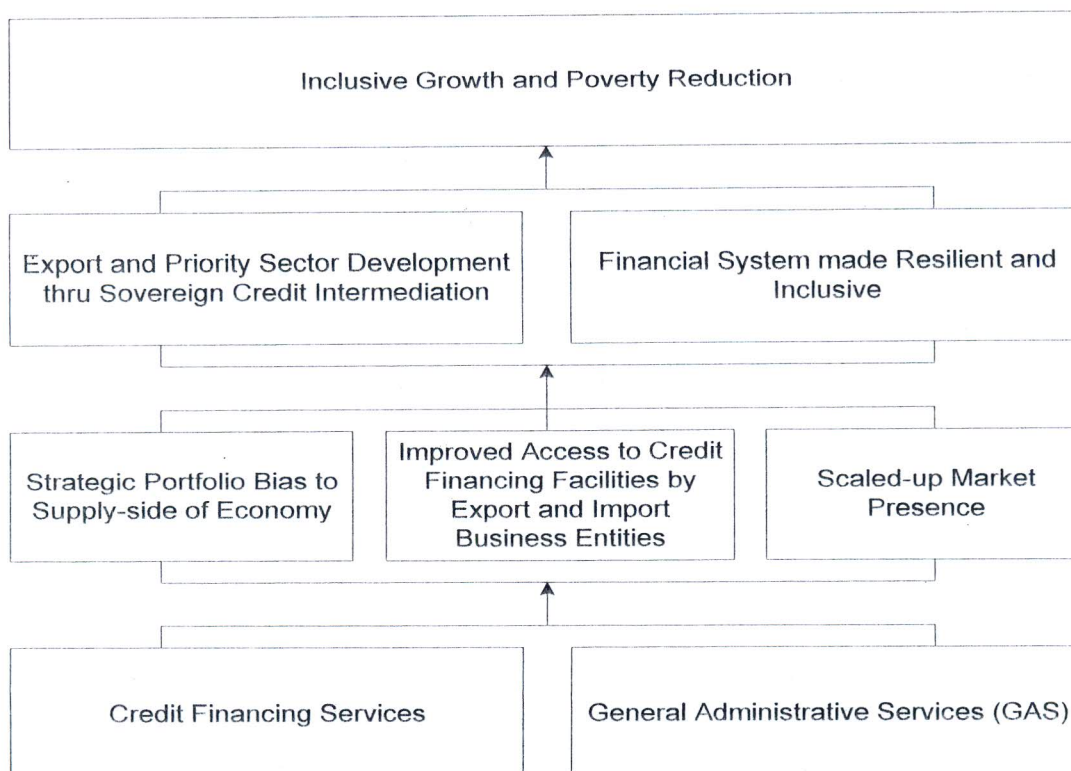
WITNESSETH: THAT –

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective for a period of two (2) calendar years beginning from the execution of this Agreement and ending on 31 December 2014.
2. **Charter Statement and OPIF Logframe.** – PHILEXIM's Charter Statement and OPIF Logframe for the Period specified in Section 1 hereof, shall be as follows:

Mission: We are a sovereign guarantor extending credit, export insurance and related services to business entities in order to develop the Nation's export industry and facilitate investment in strategic sectors of the economy.

Vision: By 2018, PHILEXIM shall be the preferred credit guarantee institution facilitating trade and investments responsive to the developmental needs of the country



3. **Measurement of Performance.** – Based on the Interim Performance Scorecard 2013-2014 attached hereto as **Annex A**, the PHILEXIM's Performance for 2013-2014 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

MFO	Performance Indicator	Weight		Baseline	Annual Targets	
		2013	2014	2012	2013	2014
MFO 1 – Credit Financing Services	Performance Indicator Set 1 : Resource Allocation Strategy					
	Financial 1 : Value of Risk Weighted Assets	25%	25%	₱16,149 Million	₱15,000 Million	₱18,000 Million
	Performance Indicator Set 2 : Development Contribution Efforts to the Government					
	Quantity 1 : Number of firms assisted thru PHILEXIM credit financing programs	10%	10%	71 firms	66 firms	79 firms
	Quantity 2 : Number of jobs created thru PHILEXIM credit financing programs	10%	10%	17,283 jobs	15,790 jobs	18,950 jobs
	Financial 1 : \$ Value of export currency receipts contributed	10%	10%	\$479 Million	\$393 Million	\$471 Million
	Financial 2 : Net Income	25%	25%	₱196 Million	₱154 Million	₱209 Million
	Timeliness 1 : Percentage of guaranty enrollment and loan applications processed within turnaround time (TAT) upon receipt of complete documentation	10%	10%	N/A	100%	100%
	Subtotal of Weights:	90%	90%			
General Administrative Services (GAS)	Quantity : Number of resolutions by the Board on Credit and Risk Policies	5%	5%	N/A	15	15
	Quality : Automation of system processes	5%	5%	N/A	Set-up of Mini Program for Report Generation of TFLS- FIS in December 2013	Set-up of Mini Program for Report Generation of HRIS in January 2014
	Subtotal of Weights:	10%	10%			

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It is understood that the GOCC must achieve a weighted-average of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Quarterly Submission of Performance Monitoring.** – PHILEXIM shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex B**.
5. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02, namely:
 - 5.1 *Conditions Common to National Government Agencies and GOCCs:*
 - (a) Transparency Seal;
 - (b) PhilGEPS Posting;
 - (c) Cash Advance Liquidation;
 - (d) Citizen's Charter or its equivalent; and
 - (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Net worth (SALN);
 - 5.2 *Conditions Specific to GOCCs Covered by R.A. No. 10149:*
 - (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
 - (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
 - (c) Adoption of a "Manual of Corporate Governance" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
 - (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
 - (e) Adoption of a **No GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
6. PHILEXIM hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. PHILEXIM shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in PHILEXIM's Performance Scorecard, and shall be used solely as a reference by GCG and PHILEXIM during Performance Agreement Negotiations/Renegotiations.

7. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 06 February 2014, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman



MA. ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner

**PHILIPPINE EXPORT-IMPORT CREDIT
AGENCY**

CESAR V. PURISIMA
DOF Secretary and Chairman

FRANCISCO S. MAGSAJO, JR.
*Vice Chairman
President and CEO*

AMANDO M. TETANGCO, JR.
BSP Governor and Board Member

GREGORY L. DOMINGO
DTI Secretary and Board Member

ARSENIO M. BALISACAN
NEDA Director General and Board Member

ISIDRO A. CONSUNJI
POCB Chairman and Board Member

JAY Y. YUVALLOS
*Board Member, Private Sector
Representative*

PHILIPPINE EXPORT-IMPORT CREDIT AGENCY

Performance Measures					Baseline Data (if available)			Targets		
Description	Formula	Weight		Rating System*	Data Provider if applicable	2010	2011	2012	2013	2014
		2013	2014							
MFO 1 : Credit Financing Services										
Performance Indicator Set 1 : Resource Allocation Strategy										
Financial 1 : Value of Risk Weighted Assets	Absolute amount	25%	25%	(Actual/Target) x Weight		₱14,470 Million	₱18,675 Million	₱16,149 Million	₱15,000 Million	₱18,000 Million <div><div></div></div>
Performance Indicator Set 2 : Development Contribution Efforts to the Government										
Quantity 1 : Number of firms assisted thru PHILEXIM credit financing programs	Absolute number	10%	10%	(Actual/Target) x Weight		50 firms	63 firms	71 firms	66 firms	79 firms <div><div></div></div>
Quantity 2 : Number of jobs created thru PHILEXIM credit financing programs	Absolute number	10%	10%	(Actual/Target) x Weight		26,750 jobs	24,532 jobs	17,283 jobs	15,790 jobs	18,950 jobs <div><div></div></div>
Financial 1 : \$ Value of export currency receipts	Absolute amount	10%	10%	(Actual/Target) x Weight		\$518 Million	\$863 Million	\$479 Million	\$393 Million	\$471 Million <div><div></div></div>
Financial 2 : Net Income	Absolute amount	25%	25%	(Actual/Target) x Weight		₱331.59 Million	₱67.3 Million	₱196 Million	₱154 Million	₱209 Million <div><div></div></div>

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