



## PERFORMANCE AGREEMENT

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

**GOVERNANCE COMMISSION FOR GOCCs (GCG)**

- and -

**PHILIPPINE EXPORT-IMPORT CREDIT AGENCY (PHILEXIM)**

**WHEREAS**, the Parties above entered into a Performance Agreement covering CY 2016;

**WITNESSETH: THAT –**

The Parties agree to the following terms:

1. **Mission and Vision.** – PHILEXIM's Mission and Vision for its vision year are as follows:

**Mission :** We are a sovereign guarantor extending primarily guarantee, 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 international trade and investments responsive to the developmental needs of the country. ✓

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A**.

2. **Measurement of Performance.** – Performance for 2016 shall be measured based on based on the Performance Scorecard attached hereto as **Annex B**. It is understood that the GOCC must achieve a weighted-average of at least 90% based on the agreed targets for 2015-16 to be eligible to grant any Performance-Based Bonus.
3. **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.
4. **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 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:
  - 4.1. *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 Networth (SALN);

4.2. *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 cleared by DOF, whenever applicable.
- (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.
- (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
- (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.
- (h) Submission of Corporate Operating Budgets (COBs):
  - i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 123 on "Budget Call for FY 2016;"
  - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 123. ✓

5. PHILEXIM shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, PHILEXIM shall copy furnish the Governance Commission copies of all written communications between PHILEXIM and COA on such matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination. ✓

PHILIPPINE EXPORT-IMPORT CREDIT AGENCY

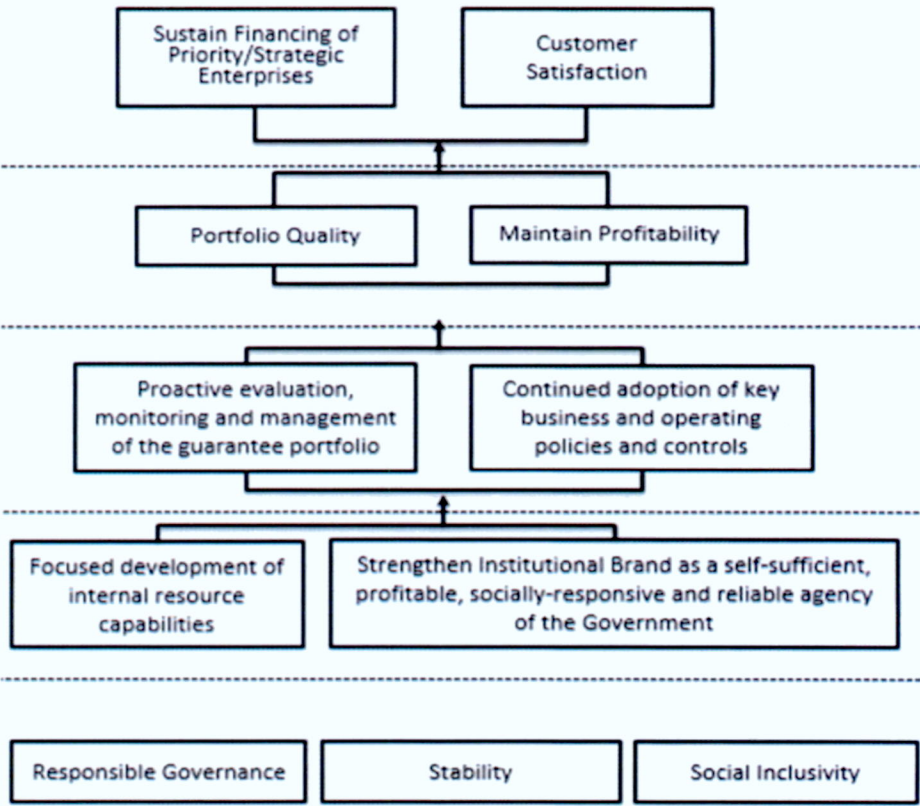


**Mission:** We are a sovereign guarantor extending primarily guarantee, export insurance and related services to business entities in order to develop the Nation's export industry and facilitate investment in strategic sectors of the economy.

**Core Values:**  
Excellence  
Integrity  
Professionalism  
Good Governance  
Innovation  
Teamwork

Stakeholders  
Finance  
Internal Process  
Organization

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



Themes:

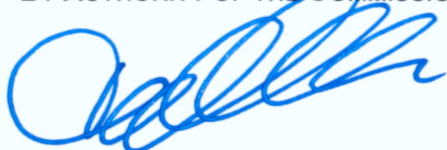
Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCCs PBB application.

6. 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 27<sup>th</sup> day of April 2016, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR  
GOCCs**

BY AUTHORITY OF THE COMMISSION:



**CESAR L. VILLANUEVA**  
*Chairman*



**MA. ANGELA E. IGNACIO**  
*Commissioner*



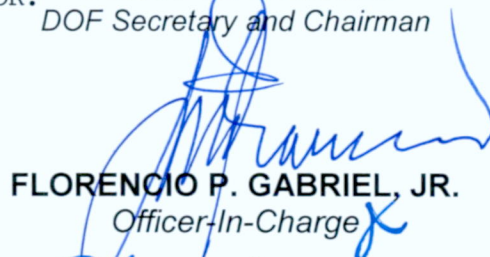
**RAINIER B. BUTALID**  
*Commissioner*

**PHILIPPINE EXPORT-IMPORT CREDIT  
AGENCY**



GIL S. BELTRAN  
*Alternate Chairperson*

FOR: **CESAR V. PURISIMA**  
*DOF Secretary and Chairman*

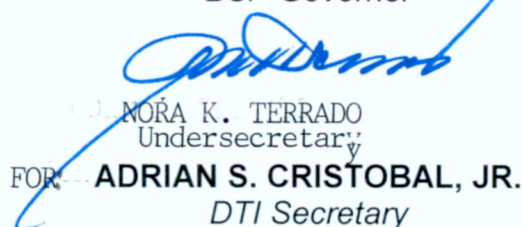


**FLORENCIO P. GABRIEL, JR.**  
*Officer-In-Charge*

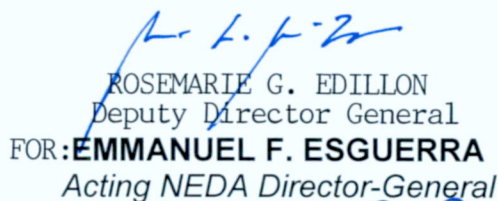


VICENTE S. AQUINO  
*Deputy Governor*

FOR: **AMANDO M. TETANGCO, JR.**  
*BSP Governor*



NORA K. TERRADO  
*Undersecretary*  
FOR: **ADRIAN S. CRISTOBAL, JR.**  
*DTI Secretary*



ROSEMARIE G. EDILLON  
*Deputy Director General*  
FOR: **EMMANUEL F. ESGUERRA**  
*Acting NEDA Director-General*




**WILFRIDO A. ATIENZA**  
*Board Member*



SONIA T. VALDEAVILLA  
Alternate Director

FOR: **ISIDRO A. CONSUNJI**  
Board Member

**JAY Y. YUVALLOS**  
Board Member



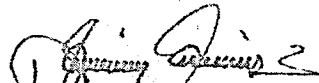
**ERMILANDO D. NAPA**  
Board Member



**TOMASA H. LIPANA**  
Board Member

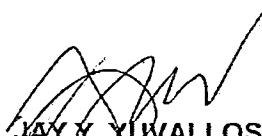


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SONIA T. VALDEAVILLA  
Alternate Director

FOR: **ISIDRO A. CONSUNJI**  
Board Member



JAY Y. YUVALLOS  
Board Member



ERMILANDO D. NAPA  
Board Member



TOMASA H. LIPANA  
Board Member

## PHILIPPINE EXPORT-IMPORT CREDIT AGENCY

Component					Baseline Data (if applicable)			Target
	Objective/Measure	Weight	Rating Scale		2013	2014	2015 <sup>1</sup>	2016
STAKEHOLDERS	SO 1	Sustain Financing of Priority/Strategic Enterprises						
	SM 1	Volume of Guarantee	25%	Actual/Target x Weight	₱14,314 Mn	₱13,148 Mn	₱23,500 Mn	₱15,000 Mn
	SM 2	Access to Financing of Firms Outside NCR	5%	Actual/Target x Weight	28%	84%	84%	85%
	SM 3	Number of Capacity-Building Forums or Briefings Conducted	5%	Actual / Target x Weight	n/a	n/a	3	15
	SM 4	Number of Institutions Tapped for Financing	5%	Actual / Target x Weight	n/a	n/a	10	10
	SM 5	Number of Financing Beneficiaries	5%	Actual / Target x Weight	n/a	74	(measure is not included in 2015 agreed scorecard)	150
	SO 2	Customer Satisfaction						
	SM 6	Customer Satisfaction Rating	10%	All or Nothing	n/a	n/a	Satisfactory Rating	85% Satisfactory Rating (conducted by 3 <sup>rd</sup> party)
	Sub-Total		55%					

Component				Baseline Data (if applicable)			Target	
	Objective/Measure	Weight	Rating Scale	2013	2014	2015 <sup>1</sup>	2016	
FINANCE	SO 3	Portfolio Quality						
	SM 7	NPL Ratio (Net) Loans (Large Entities & SMEs)	5%	Below 9% = 5% score 9.01-15% = 2.5% score Above 15% = 0% score	3.30%	16.02%	9%	9%
	SM 8	Guarantee Claims Ratio (Large Entities & SMEs)	5%	0%-0.50%=5% score 0.51%-1%=3.5% score 1.01%-2%=2% score Above 2%=0% score	1.52%	0.58%	0.5%	0.5%

Component					Baseline Data (if applicable)			Target
	Objective/Measure	Weight	Rating Scale	2013	2014	2015 <sup>1</sup>	2016	
	SO 4	Maintain Profitability						
	SM 9	Ratio of Operating Expenses (net of Bad Debts Expense) to Operating Revenue	5%	If 37% and above = 5% score  If below 37% = Actual / Target x Weight	36%	39%	n/a	37%
	Sub-Total		15%					
INTERNAL PROCESS	SO 5	Pro-Active Evaluation, Monitoring and Management of the Guarantee Portfolio						
	SM 10	Percent of Accounts Submitted to the Approving Authorities (45 working days for guarantee; 38 working days for lending)	5%	80%-100% = 5% score 70%-79% = 2.5% score Below 70% = 0% score	n/a	n/a	80%	80%

Component				Baseline Data (if applicable)			Target
	Objective/Measure	Weight	Rating Scale	2013	2014	2015 <sup>1</sup>	2016
	SO 6	Continued Adoption of Key Business and Operating Policies and Controls					
	SM 11	Automation of Processes	5%	All or Nothing	n/a	n/a	Full Implementation
	SM 12	Implementation of Quality Management System	8%	All or Nothing	n/a	n/a	Establish QMS
	Sub-total		18%				
	SO 7	Focused Development of Internal Resource Capabilities					
ORGANIZATION	SM 13	Improvement in the average Competency Level	7%	Actual / Target x Weight	n/a	n/a	(measure is not included in 2015 agreed scorecard)
	SO 8	Strengthen Institutional Brand as a Self-Sufficient, Profitable, Socially-Responsive, and Reliable Agency of the Government					
	SM 14	Establish a Brand Strategy / Roadmap	5%	All or Nothing	n/a	n/a	Implement a Brand Strategy/ Roadmap
	Sub-Total		12%				
	Total		100%				

<sup>1</sup> 2015 targets based on the 2015 Performance Agreement