



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 RETIREMENT AUTHORITY (PRetA)

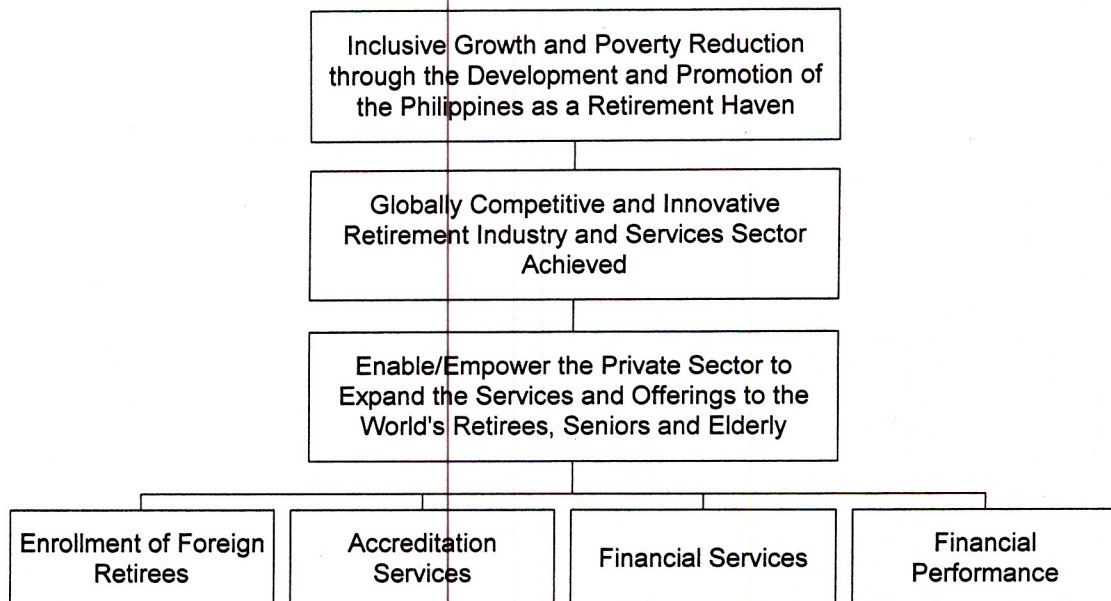
WITNESSETH: THAT –

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.** – PRetA's Charter Statement and OPIF Logframe for the Period specified in Section 1 hereof, shall be as follows:

Mission: To develop PRetA's capabilities and to enable and empower all segments of the government and private sectors relevant to the Philippine retirement migration agenda.

Vision: By 2020, the Philippines is a leading and significant destination for the world's retirees, seniors and elderly.



3. **Measurement of Performance.** – Based on the Interim Performance Scorecard 2013-2014 attached hereto as **Annex A**, the PRetA'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 – Enrollment of Foreign Retirees | Quantity 1: Net Enrollment Growth Rate (NEGR) \geq Gross Enrollment Growth Rate (GEGR) | 8% | 8% | 2,573 retirees | 2,750 retirees | 2,900 retirees |
| | Quantity 2: Foreign Exchange Generation | 8% | 8% | \$41.70 Million | \$42.45 Million | \$44.60 Million |
| | Quantity 3: Upgrade in the Global Retirement Index | 5% | 5% | No. 15 International Living's Global Retirement Index | No. 14 International Living's Global Retirement Index | No. 12 International Living's Global Retirement Index |
| | Quality: % of retirees applicants who complete their enrollment | 5% | 5% | 100% enrolled | 100% enrolled | 100% enrolled |
| | Timeliness: Number of SRRV issued within 15 working days from completion of documents | 4% | 4% | Issued within 15 days | Issued within 12days | Issued within 10 days |
| Subtotal of Weights: | | 30% | 30% | | | |
| MFO 2 – Accreditation Services | Quantity 1: No. Accredited Marketers | 12% | 12% | 159 | 183 | 210 |
| | Quantity 2: Number of Accredited Retirement Facilities | 10% | 10% | 28 | 30 | 32 |
| | Timeliness: Number of accreditation issued within 15 working days from completion of documents | 8% | 8% | Issued within 15 days | Issued within 15 days | Issued within 15 days |
| Subtotal of Weights: | | 30% | 30% | | | |
| MFO 3- Financial Management Services | Quantity 1: Number of retirees who paid fees against those issued with notice letters | 10% | 10% | 68.49% | 74.71% | 75.00% |
| | Quantity 2: Collection Efficiency Ratio for Fees due to Retirees | 10% | 10% | 59.64% | 64.39% | 65.61% |

| MFO | Performance Indicator | Weight | | Baseline | Annual Targets | |
|-----------------------------------|---|------------|------------|-----------------|-----------------|-----------------|
| | | 2013 | 2014 | 2012 | 2013 | 2014 |
| | Quantity 3: Collection of Management Fees from the Accredited Banks | 5% | 5% | 91.89% | 92.35% | 93.27% |
| Subtotal of Weights: | | 25% | 25% | | | |
| GAS- Financial Performance | Increase from previous years' Net Income Before Tax and Foreign Exchange Adjustment | 15% | 15% | ₱233.24 Million | ₱256.77 Million | ₱262.36 Million |
| Subtotal of Weights: | | 15% | 15% | | | |

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. **Strategic Initiatives.** – PRetA hereby commits to undertaking the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex B**, to wit:

- (a) Strategic Initiative 1 – Product Mix Strategy
- (b) Strategic Initiative 2 – Promotion of Parish and Barangay Retirement and Ageing Program

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. PRetA shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – PRetA 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 C**.

6. **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:

6.1. *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);¹

6.2. *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

¹ See CIVIL SERVICE COMMISSION MEMORANDUM CIRCULAR No. 3, s. 2013.

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.
7. PRetA hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. PRetA 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 PRetA's Performance Scorecard, and shall be used solely as a reference by GCG and PRetA during Performance Agreement Negotiations/Renegotiations.
8. 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 17 September 2013, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOVERNMENT-OWNED OR --
CONTROLLED CORPORATIONS**
BY AUTHORITY OF THE COMMISSION:

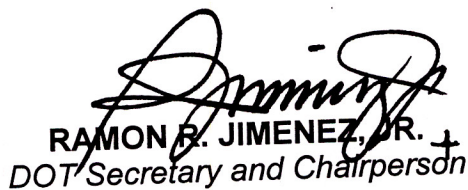


CESAR L. VILLANUEVA
Chairman

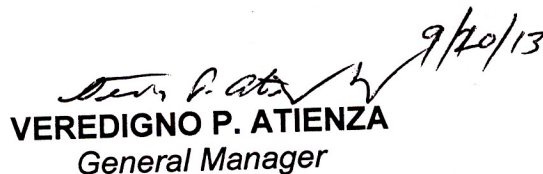


MA ANGELA E. IGNACIO
Commissioner

**PHILIPPINE RETIREMENT
AUTHORITY**



RAMON B. JIMENEZ, JR.
DOT Secretary and Chairperson



VEREDIGNO P. ATIENZA
General Manager

9/20/13



RAINIER B. BUTALID
Commissioner



for: **ARMANDO M. TETANGCO, JR.**
BSP Governor and
Ex Officio Board Member



SIEGFRED B. MISON
BI Commissioner and
Ex Officio Board Member

PHILIPPINE RETIREMENT AUTHORITY

| Description | Formula | Performance Measures | | | Rating System ^{a/} | Data Provider if applicable | Baseline Data (if available) | | | Targets | |
|--|---|----------------------|------|--------------------------|-------------------------------|--------------------------------|---------------------------------|--|---|---|--|
| | | Weight | | 2010 | | | 2011 | 2012 | 2013 | 2014 | |
| | | 2013 | 2014 | | | | | | | | |
| MFO 1 : Enrollment of Foreign Retirees | | | | | | | | | | | |
| Quantity 1: Net Enrollment Growth Rate (NEGR) ≥ Gross Enrollment Growth Rate (GEGR) | $\text{NEGR} = (\text{Present year net enrollment} - \text{Previous year net enrollment}) / \text{Previous year net enrollment} \times 100\%$ $\text{GEGR} = (\text{Present year gross enrollment} - \text{Previous year gross enrollment}) / \text{Previous year gross enrollment} \times 100\%$ | 8% | 8% | (Actual/Target) x Weight | | 1,426 retirees | 1,588 retirees | 2,573 retirees | 2,750 retirees | 2,900 retirees | |
| Quantity 2: Foreign Exchange Generation | Forex Generation (Gross Visa) Deposit + Investment - Absolute Number | 8% | 8% | (Actual/Target) x Weight | | \$3.25 Million | \$20.53 Million | \$41.70 Million | \$42.45 Million | \$44.60 Million | |
| Quantity 3: Upgrade in the Global Retirement Index | | 5% | 5% | (Actual/Target) x Weight | International Living Magazine | | | No. 15 ^a International Living's Global Retirement Index | No. 14 International Living's Global Retirement Index | No. 12 International Living's Global Retirement Index | |

| Description | Formula | Performance Measures | | Rating System ^{af} | Data Provider <i>if applicable</i> | Baseline Data <i>(if available)</i> | | | Targets | |
|---|--|----------------------|------------|-----------------------------|---------------------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Weight | | | | 2010 | 2011 | 2012 | 2013 | 2014 |
| | | 2013 | 2014 | | | | | | | |
| Quality: % of retirees applicants who complete their enrollment | Total Number of SRRV Issued/ Total Number of Received SRRV application with complete requirements x 100% | 5% | 5% | (Actual/Target) x Weight | | 100% enrolled | 100% enrolled | 100% enrolled | 100% enrolled | 100% enrolled |
| Timeliness: Number of SRRV issued within 15 working days from completion of documents | Total Processing Days/ Total Number of Issued SRRV | 4% | 4% | (Actual/Target) x Weight | | Issued within 15 days | Issued within 15 days | Issued within 15 days | Issued within 12days | Issued within 10 days |
| Subtotal of Weights: | | 30% | 30% | | | | | | | |
| MFO 2 : Accreditation Services | | | | | | | | | | |
| Quantity 1: No. Accredited Marketers | Absolute Number | 12% | 12% | (Actual/Target) x Weight | | 125 | 138 | 159 | 183 | 210 |
| Quantity 2: Number of Accredited Retirement Facilities | Absolute Number | 10% | 10% | (Actual/Target) x Weight | | 22 | 26 | 28 | 30 | 32 |
| Timeliness: Number of accreditation issued within 15 working days from completion of documents | Total Processing Days/ Total Number of Accreditation Certificate Issued | 8% | 8% | (Actual/Target) x Weight | | Issued within 15 days | Issued within 15 days | Issued within 15 days | Issued within 15 days | Issued within 15 days |
| Subtotal of Weights: | | 30% | 30% | | | | | | | |

| Description | Formula | Performance Measures | | | Rating System ^{a/} | Data Provider <i>if applicable</i> | Baseline Data <i>(if available)</i> | | | Targets | |
|---|--|----------------------|-------------|--------------------------|-----------------------------|---------------------------------------|--|-----------------|-----------------|-----------------|--|
| | | Weight | | 2010 | | | 2011 | 2012 | 2013 | 2014 | |
| | | 2013 | 2014 | | | | | | | | |
| MFO 3: Financial Management Services | | | | | | | | | | | |
| Quantity 1: Number of retirees who paid fees against those issued with notice letters | Number of retirees sent with notice letter who paid/ number of letters sent (exclude "return to sender") | 10% | 10% | (Actual/Target) x Weight | | 69.27% | 82.52% | 68.49% | 74.71% | 75.00% | |
| Quantity 2: Collection Efficiency Ratio for Fees due to Retirees | Total Collection/Total Amount Due x 100% | 10% | 10% | (Actual/Target) x Weight | | 53.42% | 82.32% | 59.64% | 64.39% | 65.61% | |
| Quantity 3: Collection of Management Fees from the Accredited Banks | Total Amount collected for the year/ Total amount due for the year | 5% | 5% | (Actual/Target) x Weight | | 92.39% | 93.55% | 91.89% | 92.35% | 93.27% | |
| Subtotal of Weights: | | 25% | 25% | | | | | | | | |
| GAS: Financial Performance | | | | | | | | | | | |
| Increase from previous years' Net Income Before Tax and Foreign Exchange Adjustment | | 15% | 15% | (Actual/Target) x Weight | | ₱188.61 Million | ₱211.02 Million | ₱233.24 Million | ₱256.77 Million | ₱262.36 Million | |
| Subtotal of Weights: | | 15% | 15% | | | | | | | | |
| TOTAL OF WEIGHTS: | | 100% | 100% | | | | | | | | |

a/ But not to exceed the weight assigned per indicator