



26 January 2016

HON. RAMON R. JIMENEZ JR.

DOT Secretary and Chairman

HON. VALENTINO L. CABANSAG

General Manager (GM)

PHILIPPINE RETIREMENT AUTHORITY

29th Floor, Citibank Tower, 8741 Paseo de Roxas
Makati City

RE : TRANSMITTAL OF PERFORMANCE AGREEMENT

Dear Secretary Jimenez and GM Cabansag,

This is to formally transmit 2 original copies of the Performance Agreement for 2015-2016, which embodies the agreements reached during our Performance Agreement Negotiation last 12 October 2015.

Ex Officio alternates, if any, may also sign the agreement on behalf of their respective principals.

For any clarifications, please email Director Clarence G. Pascual of Corporate Governance Office A at cggpascual@gcg.gov.ph. PRetA shall send back to the Commission one copy of the agreement initialed on every page and signed at the end.

FOR YOUR APPROPRIATE ACTION.

Very truly yours,

CESAR L. VILLANUEVA
Chairman



DEPARTMENT OF TOURISM

**PHILIPPINE
RETIREMENT
AUTHORITY**

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 RETIREMENT AUTHORITY (PRetA)

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

WHEREAS, the Parties agreed to renegotiate certain targets for CY 2015, pursuant to Section 7.2 of GCG MC No. 2013-02 (Re-Issued), which provides that “GOCCs can renegotiate the targets set in their Performance Agreements for the current year if the same are no longer feasible due to substantial changes in circumstances that could not have been foreseen at the time the targets were agreed upon.”

WITNESSETH: THAT –

The Parties agree to the following terms:

- 1. Renegotiation.** – PRetA’s Performance Scorecard in its 2015 Performance Agreement is hereby amended pursuant to the attached **Renegotiated Performance Scorecard**. All other conditions in the Performance Agreement covering CY 2015 shall remain effective.
- 2. Mission and Vision.** – PRetA’s Mission, Vision and target breakthrough results for its vision year are 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 : PRetA as the catalyst in strengthening the Philippines’ retirement industry, envisions to enhance the status of the country as an internationally-recognized and significant retirement destination in South East Asia by 2020

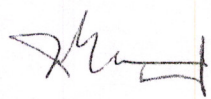
	2010 Baseline Year	2015	2020
Cumulative Net Enrollment	23,357	30,000	100,000

The agreed Strategy Map for achieving the vision is attached hereto as **Annex A**. The above breakthrough results shall serve as the context of performance negotiations of annual targets between the Governance Commission and the Board of the GOCC until the vision year

3. **Measurement of Performance.** – Performance for 2015-16 shall be measured 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.
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 C**, to wit:
- (a) Strategic Initiative 1 – Maintenance of ISO Certification of the PRetA Head Office and Application for ISO Certification of 2 Satellite Offices; and
 - (b) Strategic Initiative 2 – Implementation of the Monitoring System to Determine Retirees' Expenditures;

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.
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 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 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);
 - 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 of all dividends to the State as cleared by the Department of Finance.
 - (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.

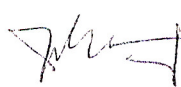


- (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
 - (e) Adoption of a **NO GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
 - (f) Compliance with the deadlines and 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. 120 on "Budget Call for FY 2015;"
 - 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. 120.
7. PRetA 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, PRetA shall copy furnish the Governance Commission copies of all written communications between PRetA 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.

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.

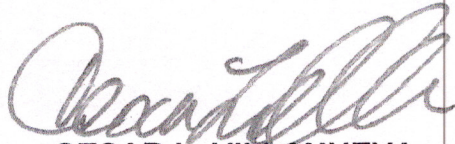
8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 7th day of January 2016, in the City of Makati, Philippines.

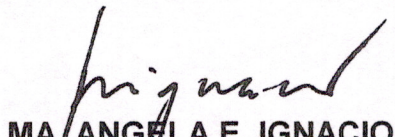


**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:



CESAR L. VILLANUEVA
Chairman



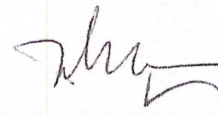
MA ANGELA E. IGNACIO
Commissioner



RAINIER B. BUTALID
Commissioner

**PHILIPPINE RETIREMENT
AUTHORITY**

RAMON R. JIMENEZ JR.
*DOT Secretary and Ex Officio
Chairman*



VALETINO L. CABANSAG
General Manager

AMANDO M. TETANGCO JR.
*BSP Governor and Ex Officio Board
Member*

RONALDO A. GERON
*Bureau of Immigration Commissioner
and Ex Officio Board Member*

PHILIPPINE RETIREMENT AUTHORITY



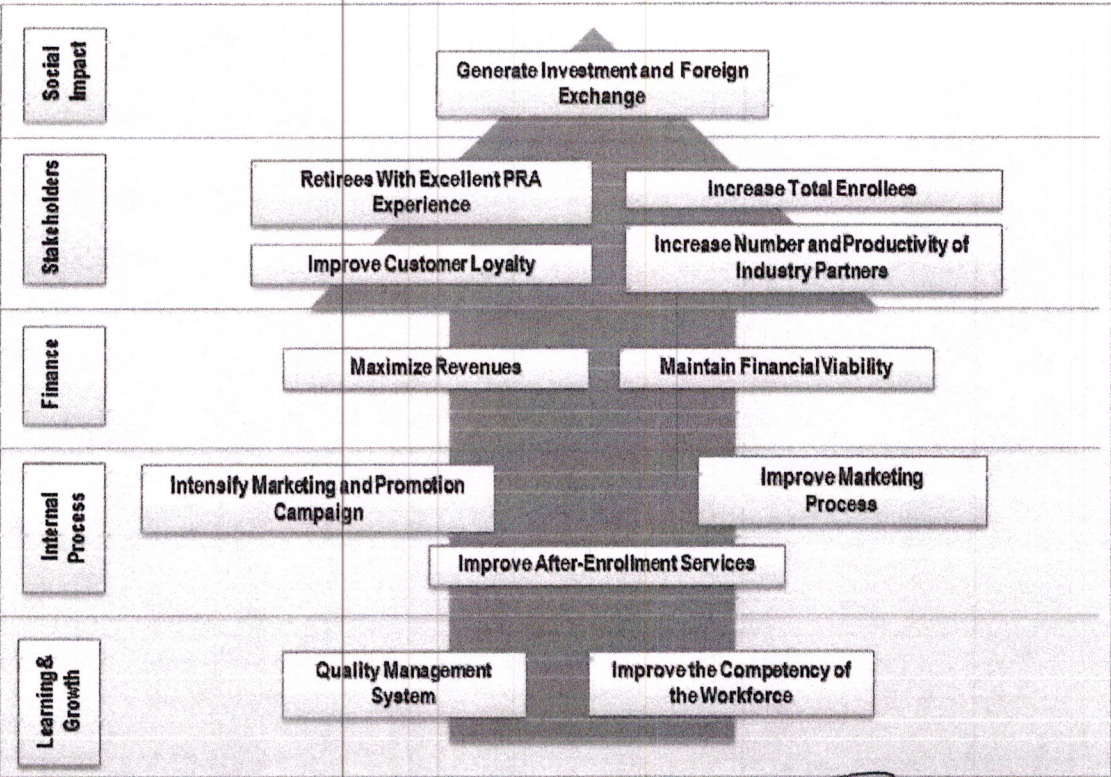
By 2020, The Philippines Is A Leading and Significant Destination in South East Asia For The World's Retirees, Seniors and Elderly

Global Competitiveness

Good Governance

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

- Core Values:**
- Service Excellence
 - Innovation
 - Teamwork
 - Integrity
 - Discipline
 - Good Governance
 - Social Responsibility



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PHILIPPINE RETIREMENT AUTHORITY

		Component			Baseline			Target		
Objective/Measure		Formula	Weight	Rating System	2012	2013	2014	2015	2016	
Social Impact	SO 1	Generate Investment and Foreign Exchange								
	SM 1	Annual Foreign Currency Generated from Visa Deposit	Gross Visa Deposit – Visa Deposit of Cancelled Membership	5%	Actual / Target x Weight	\$22.770 Million	\$28.486 Million	\$38.81 Million	\$38.25 Million	\$50 Million
	SM 2	Establish a System that will Monitor the Actual Expenditures of Retirees (spend on conversion, household, services medical, etc.)		5%	All or Nothing	n/a	n/a	n/a	Management-approved Monitoring System	Establish Baseline
	Sub-total				10%					
Stakeholder	SO 2	Retirees with Excellent PRetA Experience								
	SM 3	Customer Satisfaction Rating		5%	Below Satisfactory = 0%	n/a	n/a	n/a	Satisfactory or its Equivalent Percentage	Satisfactory or its Equivalent Percentage
	SO 3	Improve Customer Loyalty								
	SM 4	Retention Rate for the Year	[1-(Withdrawal at the end of rating period / Net Enrollment Beginning Balance)] x 100%	10%	<95% - Poor = 0% 95-96.9 – Good = 5% 97 and above – Excellent 10%	95.95%	95.99%	96.00%	≥97%	≥97%

	Component				Baseline			Target		
	Objective/Measure	Formula	Weight	Rating System	2012	2013	2014	2015	2016	
Stakeholder	SO 4	Increase Total Enrollees								
	SM 5	Net Enrollment for the Year	Net Enrollment at the End of Rating Period	15%	Actual / Target x Weight	2,573	3,076	3,956	4,250	5,100
	SO 5	Increase Number and Productivity of Industry Partners								
	SM 6	Number of Principal Retirees enrolled by Marketers at the end of the rating period	Absolute Number	5%	Actual / Target x Weight	1,409	1,614	2,209	2,000	2,500
		Sub-total								
			35%							
Financial	SO 6	Maintain Financial Viability								
	SM 7	Revenue Generated	Absolute Amount	10%	Actual / Target x Weight	P346.23 Million	P413.42 Million	P525.36 Million	P588.32 Million	P660.73 Million
	SO 7	Maximize Revenues								
	SM 8	Net Operating Income	Revenues + Interest Income from Visa Deposit – Operating Expenses	10%	Actual / Target x Weight	P218 Million	P280.05 Million	P356.77 Million	P373.58 Million	P414.41 Million
		Sub-total								
			20%							
Internal Process	SO 8	Intensify Marketing and Promotion Campaign								
	SM 9	Percentage of Marketing and Promotion Activities Conducted based on the Board Approved Marketing Plan	Marketing and Promotion Activities Conducted/ Total Marketing and Promotion Activities Programmed for the Year	5%	Actual / Target x Weight	n/a	n/a	n/a	95% (Marketing Plan based on PPMP)	95% realization of targets set in the marketing plan

	Objective/Measure	Component			Baseline			Target		
		Formula	Weight	Rating System	2012	2013	2014	2015	2016	
Internal Process	SO 9	Improved Marketing Process								
	SM 10	Percentage Increase in the number of Walk in Principal Member with Approved Applications	$(\text{Current year actual} - \text{Prior year actual}) / \text{Prior Year Actual} \times 100$	5%	Actual / Target x Weight	-9.09%	24.13%	6.67%	10%	16%
	SO 10	Improved After-Enrollment Services								
	SM 11	Number of Retirees availing of Post-enrollment Services	Absolute Amount	5%	Actual / Target x Weight	9,240	11,069	13,960	16,592 (ID Renewal & Re-stamping)	90% of requests with complete documents are processed
	SM 12	Number of New Services/ Programs/Activities Introduced/Launched	Actual Amount	5%	Actual / Target x Weight	2	2	2	2	for replacement in 2016
		Average Number of Post Enrollment Services availed of per Retiree	Average Number of Post Enrollment Services availed of per Retiree							Establish baseline
	Sub-total		20%							
Learning and Growth	SO 11	Quality Management System								
	SM 13	ISO 9001 Accreditation		10%	All or Nothing	n/a	n/a	n/a	ISO Certification all sites all processes	Maintain ISO Certification

	Objective/Measure	Component			Baseline			Target	
		Formula	Weight	Rating System	2012	2013	2014	2015	2016
Learning and Growth	SO 12	Improve Competency of the Workforce							
	SM 14	Development of Board-approved Competency Framework	5%	All or Nothing	n/a	n/a	n/a	Submission of Competency Framework and Tables not later than December 2015	Implementation of Competency model and establishment of baseline
		<i>Sub-total</i>		15%					
		TOTAL		100%					

Strategy Initiatives Profile (Annex C)

PHILIPPINE RETIREMENT AUTHORITY

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVES PROFILE I

1. Name of Project: Maintenance of ISO Certification of the PRetA Head Office and Application for ISO Certification of 2 Satellite Offices.

2. Contact Person/ Project Team Head: John Oliver Q. Sanota
OIC-Corporate Planning

3. Project Description:

Establishment of a Quality Management System (QMS), a set of policies, processes and procedures required for planning and execution in the core business area of organizations, is a requirement of EO No. 605 s 2007, entitled Institutionalizing the Structure, Mechanisms and Standards to Implement the Government Quality Management Program, mandating all government department/ agencies including GOCC's and GFDI's to adopt the ISO 9001:2008 Quality Management System Standards for their Agencies.

Impact to PRetA:

- Creates a more efficient and effective operation.
- Improves the quality of service and makes delivery on time
- Develops a culture of quality and continuous improvement within the members of the organization
- Decreases costs due to inefficiency, re-work, and delay hence reduces wastes
- Increases customer satisfaction and retention
- Can serve as one of PRetA's tools in promoting its services, a good foundation for expanding our market.

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Based on the Project Work Plan	January 2016	December 2016	₱1.1 Million	Corporate Fund	As of this writing, PRetA Head Office's application for ISO is in progress, and the Authority expects to be awarded with the certification before the end of 2015. In 2016, PRetA will work on certification of 2 more Satellite Offices.



II. STRATEGIC INITIATIVES PROFILE II

1. Name of Project: Implementation of the Monitoring System to Determine Retirees' Expenditures

2. Contact Person/ Project Team Head: Irma S. Lappay
OIC-MSD

John Oliver Q. Sanota
OIC-Corporate Planning

3. Project Description:

By the end of 2015, a system that will monitor and measure the actual expenditures of retiree-members (spend on visa deposit conversion, household, medical services, etc.) is expected to be established. This has been one of the corporate targets of PRetA under Social Impact perspective. This project aims to determine:

- the foreign retirees' demand for goods and services;
- the impact of retirement industry in our economy.

Full implementation of the approved system will be on 2016.

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Actual activities will depend on the content/mechanics in the approved system	January 2016	December 2016	₱120,000	Corporate Funds	Done with the preparation of TOR for the procurement requirement.