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 -

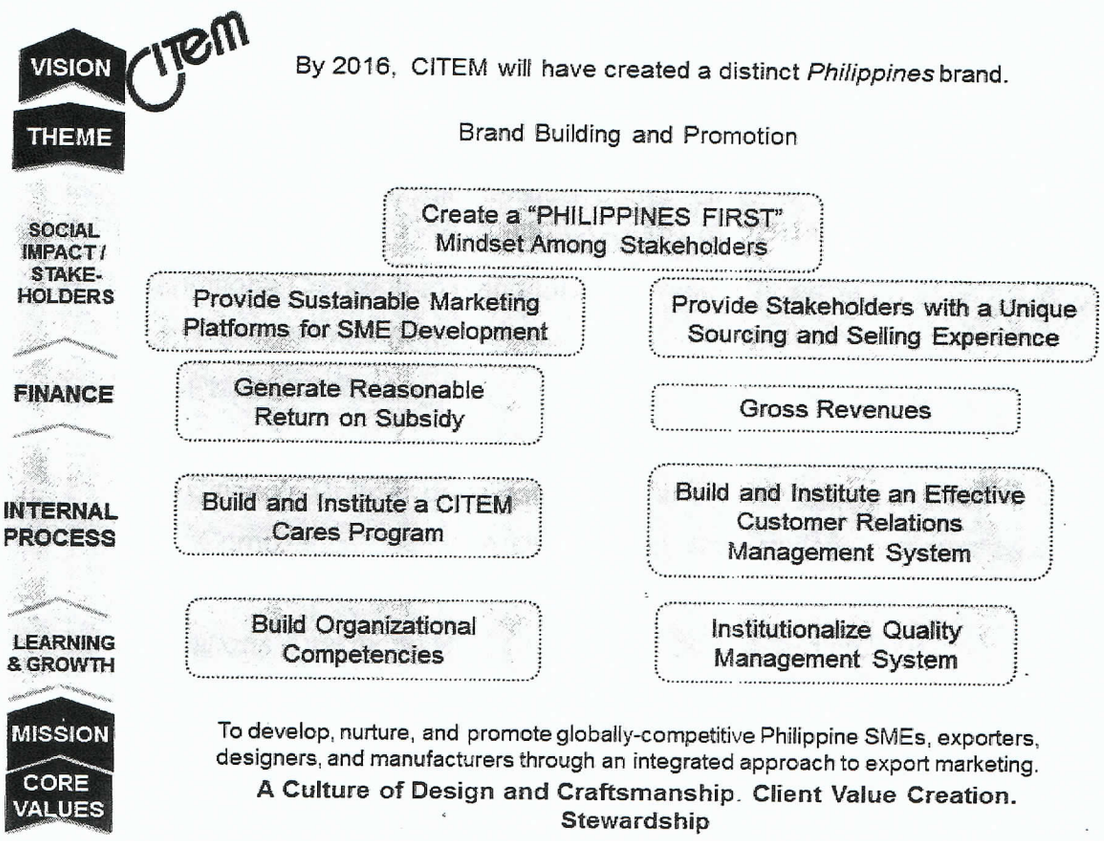
CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS (CITEM)

WITNESSETH: THAT –

The Parties agree to the following terms:

1. ***Period***. – This Agreement shall be effective beginning from the execution of this Agreement and ending upon the determination by the Governance Commission of the eligibility of CITEM for the FY 2015 PBB and PBI.

2. ***Charter Statement and Strategy Map***. – CITEM's Charter Statement and Strategy Map for the Period specified in Section 1 hereof, shall be as follows:



3. ***Measurement of Performance.*** – Based on the Performance Scorecard 2015 attached hereto as ***Annex A***, the CITEM's Performance for 2015 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

COMPONENT			WEIGHT	RATING SCALE	2015 TARGET
CUSTOMER/ STAKEHOLDER	**SO 1**	**Create a "PHILIPPINE FIRST" Mind-set Among Stakeholders**			
	SM 1	Publicity Mileage generated (local and international)	10%	(Actual/Target) x weight	₱376.648 Million
	SM 2	Increase number of SMEs participating in events organized	10%	(Actual/Target) x weight	1,000
	SM 3	Sales Generated per Peso of Subsidy	10%	(Actual/Target) x weight	$1.37 for every peso spent
	SO 2	**To provide Sustainable Marketing Platforms for SME Development**			
	SM 4	Life Plans for SMEs under branding program	10%		Submit 2 Board-approved Life Plans for Food and Fashion Brands to be submitted by the end of 3rd and 4th quarter
	SO 3	**To provide stakeholders with a unique sourcing and selling experience**			
	SM 5	Percentage of Stakeholders Satisfied (Third Party)	10%	Below 75% = 0%	75% of stakeholders are Very Satisfied
		Sub-total	**50%**		
FINANCIAL	**SO 4**	**Generate Reasonable Return on Subsidy**			
	SM 6	Cost Recovery Ratio for Promotional Events Organized and Participated	10%	(Actual/Target) x weight	40%
	SO 5	**Grow Revenues**			
	SM 7	Increase Revenues to Cover PS Cost	10%	(Actual/Target) x weight	₱55.1 Million
		Sub-total	**20%**		
INTERNAL PROCESSES	**SO 6**	**Institutionalize a CITEM Cares Program for Exhibitors**			
	SM 8	Percentage of SMEs under the Home Program with good performance	10%	(Actual/Target) x weight	70%
	SO 7	**Build and Institute an Effective Customer Relations Management System**			
	SM 9	Percentage of buyers engaged in the system	10%	(Actual/Target) x weight	1,500 companies scrubbed/ cleaned. 30% of which have been engaged in on-going conversation
		Sub-total	**20%**		

LEARNING AND GROWTH	**SO 8**	**Build Organizational Competencies**			
	SM 10	Establish Board-approved Competency Framework	5%		Board approved framework on or before December 2015
	SO 9	**Institutionalize Quality Management System**			
	SM 11	Attain ISO Certification	5%		Approved QMS Procedures
		Sub-total	**10%**		
		TOTAL	**100%**		

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***. – CITEM 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 – Board-approved Competency Framework;

   (b) Strategic Initiative 2 – Institutionalization of an ISO 9001:2008 Certified Quality Management System for CITEM (Attain ISO 9001 QMS Certification)

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

5. ***Quarterly Submission of Performance Monitoring***. – CITEM 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 (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 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.

(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. CITEM hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. CITEM 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 CITEM's Performance Scorecard, and shall be used solely as a reference by GCG and CITEM during Performance Agreement Negotiations/Renegotiations.

8. CITEM 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, CITEM shall copy furnish the Governance Commission copies of all written communications between CITEM 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.

9. 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 15th day of July 2015, in the City of Makati, Philippines.

GOVERNANCE COMMISSION FOR GOCC
BY AUTHORITY OF THE COMMISSION:

CESAR L. VILLANUEVA
Chairman

MA. ANGELA E. IGNACIO
Commissioner

RAINIER B. BUTALID
Commissioner

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS

GREGORY L. DOMINGO
DTI Secretary and Chairperson

FOR:
ROSARIO VIRGINIA C. GAETOS
Executive Director

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

ROBERTO G. VERGARA
GSIS President/GM and
Ex Officio Board Member

for **GILDA E. PICO**
LBP President and Ex Officio Board Member

ZENEN RENAN B. DALISAY
NFA Administrator and Ex Officio Board Member

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS

		Component					Baseline Data (if applicable)		Target
		Objective/Measure	Formula	Weight	Rating System[a/]	Data Provider	2013	2014	2015
STAKEHOLDER	SO 1	**Create a "PHILIPPINE FIRST" Mind-set Among Stakeholders**							
	SM 1	Publicity Mileage generated (local and international)	Absolute amount	10%	(Actual/Target) x weight		₱142.006 M	₱358.130 Million	₱376.648 Million
	SM 2	Increase number of SMEs participating in events organized	Absolute number	10%	(Actual/Target) x weight		1,526	933	1,000
	SM 3	Sales Generated per Peso of Subsidy	Total Export Sales / Total NG Subsidy	10%	(Actual/Target) x weight		$1.65 for every peso spent	$1.14 for every peso spent	$1.37 for every peso spent
	SO 2	**To provide Sustainable Marketing Platforms for SME Development**							
	SM 4	Life Plans for SMEs under branding program	Absolute number	10%	(Actual/Target) x weight		n/a	n/a	Submit 2 Board-approved Life Plans for Food and Fashion Brands to be submitted by the end of 3rd and 4th quarter
	SO 3	**To provide stakeholders with a unique sourcing and selling experience**							
	SM 5	Percentage of Stakeholders Satisfied (Third Party)		10%	Below 75% = 0%		91%	58%	75% of stakeholders are Very Satisfied
		Sub-total		**50%**					

		Component					Baseline Data (if applicable)		Target
	Objective/Measure	Formula	Weight	Rating System[a/]	Data Provider	2013	2014	2015
FINANCIAL	**SO 4**	**Generate Reasonable Return on Subsidy**							
	SM 6	Cost Recovery Ratio for Promotional Events Organized and Participated	Total Income from Promotional Events Organized and Participated over Total Project Cost	10%	(Actual/Target) x weight		37%	26%	40%
	SO 5	**Grow Revenues**							
	SM 7	Increase Revenues to Cover PS Cost	Absolute amount	10%	(Actual/Target) x weight		₱55.5 Million	₱40.3 Million	₱55.1 Million
		Sub-total		**35%**					
INTERNAL PROCESS	**SO 6**	**Institutionalize a CITEM Cares Program for Exhibitors**							
	SM 8	Percentage of SMEs under the Home Program with good performance	Actual / Target (based on the Board approved Home Life Plan) x 100	10%	(Actual/Target) x weight				70%
	SO 7	**Build and Institute an Effective Customer Relations Management System**							
	SM 9	Percentage of buyers engaged in the system		10%	(Actual/Target) x weight				1,500 companies scrubbed/ cleaned. 30% of which have been engaged in on-going conversation
		Sub-total		**20%**					

		Component					Baseline Data (if applicable)		Target
		Objective/Measure	Formula	Weight	Rating System[a/]	Data Provider	2013	2014	2015
LEARNING AND GROWTH	**SO 8**	**Build Organizational Competencies**							
	SM 10	Establish Board-approved Competency Framework		5%			n/a	n/a	Board approved framework on or before December 2015
	SO 9	**Institutionalize Quality Management System**							
	SM 11	Attain ISO Certification		5%	All or Nothing		n/a	n/a	Approved QMS Procedures
		Sub-total		**10%**					
		TOTAL		**100%**					

a/ But not to exceed weight

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. **Name of Project**: Board-approved Competency Framework
2. **Contact Person/Project Team Head**: Florence Pearl M. Buensalido
3. **Project Description**: To develop a Competency Framework that sets out and define the necessary skills, information, appropriate performance measure and the right corporate culture that the company requires to achieve its mission. A Competency Framework that will define the strategic goals and ensure departmental programs and priorities are aligned across the agency in support of its key drivers of business success.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
TOR preparation for Hiring of an OD Expert/Outside Consultant	26 Jan 2015	16 Feb 2015	₱1 Million	AOE	Search for OD Consultants among the list of providers/preparation of necessary bidding requirements /approval of TOR/PR
Create a Competency Framework Team	16 Feb 2015	27 Feb 2015			To understand the role fully – go to the source, involve the people doing the job, let them know that the agency will develop a framework
Developing the Framework Phases: 1. Preparation	01 March 2015	30 April 2015			▪ Needs Identification ▪ Define the Objective
2. Collect Information	01 May 2015	15 July 2015			▪ Organizational Diagnosis - Interview - Questionnaire Observation Analysis of organizational documents (business plans, strategies and objectives; organizational principles, policy & procedures manuals, job descriptions, performance evaluations, operating records; customer and supplier requirements; organization future)

3. Build the Framework	15 July 2015	15 Oct 2015			▪ Intervention Process Designing - Group the statements - Create subgroups - Identify and name the competencies
4. Board Approval	16 Oct 2015	15 Nov 2015			▪ CITEM Competency Framework
5. Submission to GCG	16 Nov 2015	30 Dec 2015			▪ Final CITEM Competency Framework
6. Implementation	01 Jan 2016	30 March 2016			▪ Link to business objectives ▪ Reward the competencies ▪ Provide coaching and training ▪ Communicate
7. Monitoring and Evaluation	01 April 2016	31 May 2016			▪ Evaluation Procedure
8. Action Planning	01 June 2016	15 June 2016			▪ Viewing the Big Picture ▪ Celebrating Strengths ▪ Selecting Areas for Improvement ▪ Organization Action Planning ▪ Personal Action Planning
		Total	₱1 Million	AOE	

1.1 Measures Affected: 90% Approved CITEM Competency Framework

II. STRATEGIC INITIATIVE PROFILE II

1. **Name of Project**: Institutionalization of an ISO 9001:2008 Certified Quality Management System for CITEM (Attain ISO 9001 QMS Certification)

2. **Contact Person/Project Team Head:** Doris U. Gacho

3. **Project Description:** The necessary interventions toward ISO 9001:2008 QMS Certification for CITEM are provided in this intervention. Such interventions include the different methodologies that shall provide clearer perspective of the quality management system requirements and to assure the consistency in the quality of services and continuous process improvement.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Orientation on ISO 9001:2008/ GQMS for the Top Management & General Employees	3rd week of Month 1 (2015)	3rd week of Month 1 (2015)			

2. Initial Gap Assessment	4th week of Month 1 (2015)	4th week of Month 1(2015)			
3. Training Course on Basic Quality & Productivity (Q&P) Improvement Approaches	3rd week of Month 2 (2015)	3rd week of Month 2 (2015)			
4. Training Course on ISO 9001:2008 QMS Requirements & Documentation	1st week of Month 3 (2015)	1st week of Month 3 (2015)			
5. ISO 9001 Planning	10 days spread over the period of Months 3-5	10 days spread over the period of Months 3-5			
6. Technical Guidance on ISO 9001:2008 QMS Documentation	14 days spread over the period of Months 3-5	14 days spread over the period of Months 3-5			
7. Technical Guidance on ISO 9001:2008 QMS Implementation	14 days spread over the period of Months 5-7	14 days spread over the period of Months 5-7			
8. Training Course on Internal Quality Audit (IQA)	2nd or 3rd week of Month 8	2nd or 3rd week of Month 8			
9. Technical Guidance on IQA and Management Review (MR)	8 days spread over Months 9-10 (IQA) 1 day after the IQA for the MR	8 days spread over Months 9-10 (IQA) 1 day after the IQA for the MR			
10. Readiness Assessment	2nd or 3rd week of Month 11	2nd or 3rd week of Month 11			
11. 3rd Party Certification	Month 12	Month 12			
		Total			

5. Measures Affected:

5.1 Awareness of CITEM officers and employees on the concepts and principles of ISO QMS
5.2 Quality Manual drafted, reviewed, approved, and implemented
5.3 Six mandatory procedures drafted, reviewed, approved, and implemented

TITLE: **PERFORMANCE NEGOTIATION AGREEMENT (PNA) FOR 2015 BETWEEN CITEM AND GOVERNANCE COMMISSION FOR GOVERNMENT OWNED AND CONTROLLED CORPORATION (GCG)**

1. 0 OBJECTIVE:

1. To seek Board approval of the Performance Negotiation Agreement (PNA) for 2015 between CITEM and Governance Commission for Government Owned and Controlled Corporation (GCG).

2.0 CRITICAL ISSUES:

2.1 Whereas, Republic Act (R.A.) No. 10149 mandates the GCG to establish a performance evaluation system, including performance scorecards, which shall apply to all GOCCs in general and to the various GOCC classifications.

2.2 Whereas, last 14 October 2013, CITEM and the GCG have mutually agreed on the Organizational Performance Indicator Framework (OPIF) after presentation and negotiation of CITEM's performance measure.

2.3 Whereas, the mutually agreed Performance Negotiation Agreement (PNA) is required to be signed by both parties (CITEM and GCG).

3.0 RECOMMENDATION:

3.1 For the Board to approve and sign the attached CITEM's Performance Negotiation Agreement (PNA) for 2015 with GCG.

RECOMMENDING APPROVAL:

ROSARIO VIRGINIA C. GAETOS
Executive Director

MA. LOURDES D. MEDIRAN
Deputy Executive Director

AURELIA O. CRUZ
OIC, Corporate Services Department

APPROVED AND CONFIRMED BY:

SECRETARY GREGORY L. DOMINGO
Chairman

UNDERSECRETARY PONCIANO C. MANALO, JR.
Alternate Chairman

MARGIE A. JORILLO
Government Service Insurance System

MA. MERCEDES G. YACAPIN
National Food Authority

LEILA C. MARTIN
Land Bank of the Philippines

WILHELMINA C. MAÑALAC
Bangko Sentral ng Pilipinas

ROSARIO VIRGINIA C. GAETOS
Appointive Member