



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)

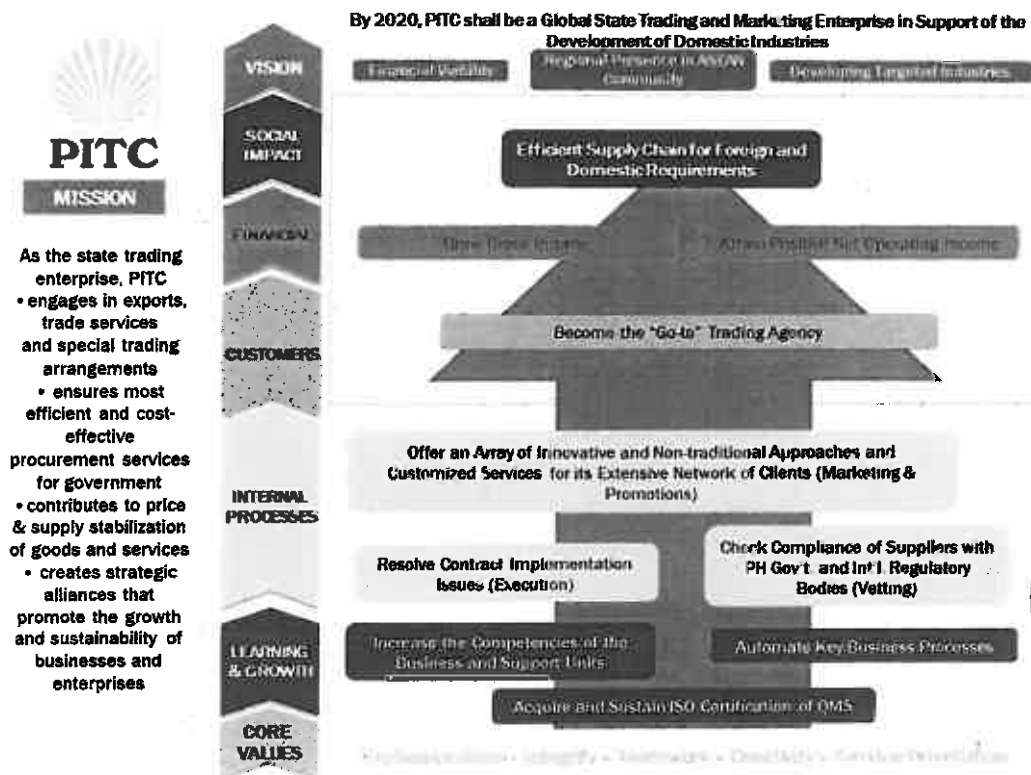
- and -

PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC)

WITNESSETH: THAT –

The Parties agree to the following terms:

1. **Period.** – This Agreement shall be effective for the period beginning from the date the Governance Commission determined the eligibility of PITC for the FY 2013 Performance-Based Incentive (PBI) for Appointive Directors and ending on the determination by the Governance Commission of the eligibility of PITC for the FY 2015 PBI.
2. **Charter Statement and Strategy Map.** – PITC'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 PITC's Performance for 2015 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

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PERFORMANCE AGREEMENT FOR CY 2015 | 2 of 6
GCG and PITC

COMPONENT		WEIGHT	RATING SCALE	2015 TARGET	
SOCIAL IMPACT	SO 1	Efficient Supply Chain for Foreign and Domestic Requirements			
	SM 1	Improved participation of accredited suppliers	0%		440
	SM 2	Proportion of Successful Contracts to the Value of the Contract	12%	Actual/ Target x Weight	10% (44 successful contracts)
		Sub-total	12%		
FINANCIAL	SO 2	Grow Gross Income			
	SM 3	Amount of Sales, Service Income and Commission Income	10%	Actual/ Target x Weight	₱81.426 Million
	SM 4	International Trade Revenue	0%		₱1,811 Million
	SM 5	Percentage of International Trade Revenues to the Total Revenue	10%	Actual/ Target x Weight	45%
	SO 3	Attain Positive Net Operating Income			
	SM 6	Increase EBITDA (Operating Profit)	10%	Actual/ Target x Weight	(₱17.118 Million)
		Sub-total	30%		
STAKEHOLDER	SO 4	Become the "Go-to" Trading Agency			
	SM 7	Number of Agreements or Contracts signed with suppliers and buyers (trading)	10%	Actual/ Target x Weight	84
	SM 8	Over-all satisfaction rating (Third Party)	10%	Actual/ Target x Weight	Satisfactory rating or its equivalent
		Sub-total	20%		
INTERNAL PROCESS	SO 5	Offer an Array of Innovative and Non-Traditional Approaches and Customized Services for Its Extensive Network of Clients			
	SM 9	No. of dealerships or local representations for new technologies or component materials	5%	Actual/ Target x Weight	4
	SM 10	No. of export producers utilizing Customs-Bonded Warehouse Services	5%	Actual/ Target x Weight	20
	SM 11	No. of Countertrade Agreement signed with suppliers	5%	Actual/ Target x Weight	6
	SO 6	Check Compliance of Supplier with PH Government and International Regulatory Bodies (Vetting)			
	SM 12	No. of export suppliers vetted and certified	5%	Actual/ Target x Weight	440
	SO 7	Resolve Contract Implementation Issues (Project Implementation)			
	SM 13	Percentage of Requests Responded on Exports	5%	Actual/ Target x Weight	85%
		Sub-total	25%		

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LEARNING AND GROWTH	SO 8	Increase the Competencies of the Business and Support Units			
	SM 14	Achieve group performance targets	5%	Actual/Target x Weight	95%
	SO 9	Automate Key Business Processes			
	SM 15	ICT-based systems automated	3%	Actual/Target x Weight	Procurement Monitoring System Suppliers Database Property Management Systems
	SO 10	Acquire and Sustain ISO Certification of QMS			
	SM 16	ISO 9001:2008 QMS acquired and sustained	5%	Actual/Target x Weight	ISO Certified
			Sub-total	13%	
		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.** – PITC 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 – STUDY: PITC Touch on SMEs
- (b) Strategic Initiative 2 – CONCLAVE: In Harmony with Stakeholders

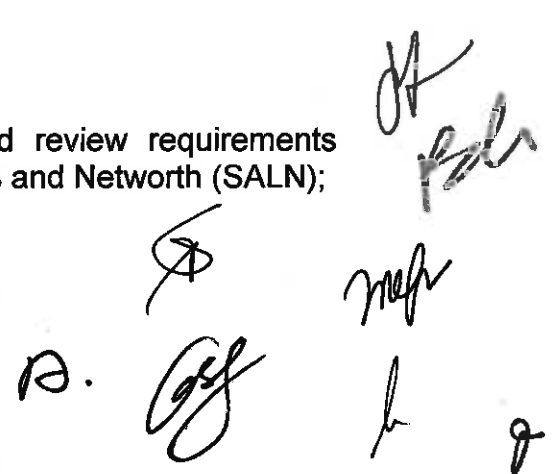
The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. PITC shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – PITC 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 Network (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. PITC hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. PITC 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 PITC's Performance Scorecard, and shall be used solely as a reference by GCG and PITC during Performance Agreement Negotiations/Renegotiations.
8. PITC shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives it

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receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, PITC shall copy furnish the Governance Commission copies of all written communications between PITC 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 12th day of December 2014, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**


BY AUTHORITY OF THE COMMISSION:

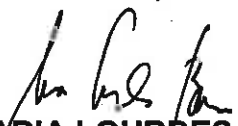

CESAR L. VILLANUEVA
Chairman



MA. ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner


**PHILIPPINE INTERNATIONAL
TRADING CORPORATION**


GREGORY L. DOMINGO
*DTI Secretary and Ex Officio
Chairperson*

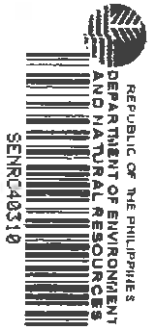

MARIA LOURDES T. BAUA
President and CEO



ADRIAN S. CRISTOBAL JR.
*BOI Vice Chairman and Ex Officio
Board Member*


PROCESO J. ALCALA
*DA Secretary and Ex Officio Board
Member*


JOSE A. NUÑEZ JR.
*DPB Chairman and Ex Officio Board
Member*

DEPARTMENT OF AGRICULTURE
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RAMON JESUS P. PAJE
DENR Secretary and Ex Officio Board Member


MA. LOURDES F. REBUENO
NDC General Manager



ARSENIO M. BALISACAN
NEDA Director General and Ex Officio Board Member



JOSE GABRIEL M. LA VIÑA
Board Member


(Deceased)
EDWARD P. BUENAFLO
Board Member

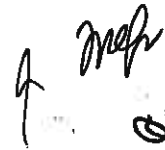
PHILIPPINE INTERNATIONAL TRADING CORPORATION


Component		Baseline Data (if applicable)					Target		
Objective/Measure	Formula	Weight	Rating System	Data Provider	2012	2013	2014	2015	
SO 1	Efficient Supply Chain for Foreign and Domestic Requirements								
SM 1	Improved participation of accredited suppliers	Absolute Number	0%			140	310	400	440
SM 2	Proportion of Successful Contracts to the Value of the Contract	Number of successful contracts/ Number of accredited suppliers	12%	Actual/ Target x Weight		20% (28 successful contracts)	7.42% (23 successful contracts)	6.25% (25 successful contracts)	10% (44 successful contracts)
	Sub-total		12%						
SO 2	Grow Gross Income								
SM 3	Amount of Sales, Service Income and Commission Income	Absolute Amount	10%	Actual/ Target x Weight		₱51,656 Million	₱57,393 Million	₱61,802 Million	₱81,426 Million
SM 4	International Trade Revenue	Absolute Amount	0%			₱765 Million	₱934 Million	₱1,128 Million	₱1,811 Million
SM 5	Percentage of International Trade Revenue to the Total Revenue	International Trade Revenue/ Total Revenue x 100%	10%	Actual/ Target x Weight		39%	42%	34%	45%
SO 3	Attain Positive Net Operating Income								
SM 6	Increase EBITDA (Operating Profit)	Absolute Amount	10%	Actual/ Target x Weight		(₱38,331 Million)	(₱33,018 Million)	(₱26,419 Million)	(₱17,118 Million)
	SOCIAL IMPACT								
	FINANCIAL								











Component		Baseline Data (if applicable)					Target	
Objective/Measure	Formula	Weight	Rating System ^{a/}	Data Provider	2012	2013	2014	2015
	Sub-total	30%						
SO 4	Become the "Go-to" Trading Agency							
SM 7	Number of Agreements or Contracts signed with suppliers and buyers (trading)	Absolute Number	Actual/ Target x Weight		58	57	68	84
SM 8	Over-all satisfaction rating (Third Party)	Adjectival Rating	Actual/ Target x Weight		n/a	n/a	Very Satisfactory	Satisfactory rating
	Sub-total	20%						
SO 5	Offer an Array of Innovative and Non-Traditional Approaches and Customized Services for Its Extensive Network of Clients							
SM 9	Number of dealerships or local representations for new technologies or component materials	Absolute Number	Actual/ Target x Weight		1	1	3	4
SM 10	Number of export producers utilizing Customs-Bonded Warehouse Services	Absolute Number	Actual/ Target x Weight		17	14	17	20
SM 11	Number of Countertrade Agreement signed with suppliers	Absolute Number	Actual/ Target x Weight		1	4	5	6
SO 6	Check Compliance of Supplier with PH Government and International Regulatory Bodies (Vetting)							
SM 12	Number of export suppliers vetted and certified	Absolute Number	Actual/ Target x Weight		140	310	400	440
SO 7	Resolve Contract Implementation Issues (Project Implementation)							
	STAKEHOLDER							
	INTERNAL PROCESS							

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Component		Baseline Data (if applicable)					Target	
Objective/Measure	Formula	Weight	Rating System ^{a/}	Data Provider	2012	2013	2014	2015
SM 13	Percentage of Requests Responded on Exports	5%	Actual/Target x Weight		n/a	85%	85%	85%
	Sub-total	25%						
SO 8	Increase the Competencies of the Business and Support Units							
SM 14	Achieve group performance targets	5%	Actual/Target x Weight		76%	92.87%	90%	95%
SO 9	Automate Key Business Processes							
SM 15	ICT-based systems automated	3%	Actual/Target x Weight			Enhanced Accounting & Treasury Monitoring System; Bid Documents Issuance and Procurement Suppliers Tracking System	IT Ticketing System	Procurement Monitoring System Suppliers Database Property Management Systems

LEARNING & GROWTH

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Component		Baseline Data (if applicable)					Target	
Objective/Measure	Formula	Weight	Rating System ^{a/}	Data Provider	2012	2013	2014	2015
SO 10	Acquire and Sustain ISO Certification of QMS							
SM 16	ISO 9001:2008 QMS acquired and sustained	5%	Actual/Target x Weight		n/a	n/a	Prepared QMS Manual and Manual of Procedures	ISO Certification
	Sub-total	13%						
	TOTAL	100%						

a/ But not to exceed the weight assigned per indicator

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II. STRATEGIC INITIATIVE PROFILE II

1. Name of Project: CONCLAVE: IN HARMONY WITH STAKEHOLDERS

2. Contact Person/Project Team Head: Attorney Sandra Therese Christine C. Guiang

3. Project Description: A program to value partnerships with PITC customers. This is to ensure that customers are regarded as partners in the fulfillment of their mandates, and as a whole, the improvement of the clients' services.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
List down stakeholders for the past two (2) years	Jul			Corporate Operating Budget	
Design the conclave and send out invitations	Aug				
Prepare necessary administrative and logistical requirements	Aug	Sept			
Procure and award contract to service providers	Sept				
Conduct of Conclave Report Results	Oct				
		Total	₱0.5 Million		

5. Measures Affected:

SM 1: Improved participation of accredited suppliers

SM 2: Proportion of successful contracts to the value of the

SM 3: Amount of sales, service income and commission income

SM 6: Increase in EBITDA (Operating Profit)

SM 7: Number of agreements or Contracts signed with Suppliers and Buyers (Trading)

SM 8: Over-all satisfaction rating

SM 9: Number of dealerships or local representations for new technologies or component materials

SM 10: No. of export producers utilizing Customs Bonded Warehouse services

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SM 11: Number of countertrade agreements signed with suppliers



SM 12: Number of export suppliers vetted and certified

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PHILIPPINE INTERNATIONAL TRADING CORPORATION
MONITORING REPORT OF PERFORMANCE TARGETS

Component		Baseline		2015		2015		2015		2015	
		1 st Quarter	2 nd Quarter	Revised Full Year Target	3 rd Quarter	4 th Quarter	Actual	Actual	Actual		
Objective/Measure	Formula	Weight	2014 Target	Actual	2015 Target	Actual	2015 Target	Actual	2015 Target	Actual	
Efficient Supply Chain for Foreign and Domestic Requirements											
SO 1	SO 1	Efficient Supply Chain for Foreign and Domestic Requirements									
SM 1	Improved participation of accredited suppliers	Absolute Number	0%	400	410		420		430		440
	Proportion of Successful Contracts to the Number of suppliers	Number of successful contracts/ number of suppliers	12%	6.25% (25 successful contracts)	2% (8 successful contracts)		5% (20 successful contracts)		9% (40 successful contracts)		10% (44 successful contracts)
	Sub-total		12%								
SO 2											
SO 2											
Grow Gross Income											
SM 3	Amount of Sales, Service Income and Commission Income	Absolute Amount	10%	P61.802 Million							P81.426 Million

Component	Objective/Measure	Formula	Weight	Baseline	2015				Target	Actual	
				2014	1 st Quarter	2 nd Quarter	Revised Full Year Target	3 rd Quarter			4 th Quarter
SM 4	International Trade Revenue	Absolute Amount	0%	P1,128 Million						P4,811 Million	
SM 5	Percentage of International Revenues to the Total Revenue	International Revenue/ Total Revenue x 100%	10%	34%						45%	
SO 3 Attain Positive Net Operating Income											
SM 6	Increase EBITDA (Operating Profit)	Absolute Amount	10%	(P26,419 Million)						(P17,118 Million)	
	Sub-total		30%								
SO 4 Become the "Go-to" Trading Agency											
SM 7	Number of Agreements or Contracts signed with suppliers and buyers (trading)	Absolute Number	10%	68	13	30		55		84	
SM 8	Over-all satisfaction rating (Third Party)	Adjectival Rating	10%							Satisfactory	
	Sub-total		20%								




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Component	Objective/Measure	Formula	Weight	Baseline		2015										
				2014	Target	1 st Quarter		2 nd Quarter		Revised Full Year Target		3 rd Quarter		4 th Quarter		
						Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	
INTERNAL PROCESS																
SO 5	Offer an Array of Innovative and Non-Traditional Approaches and Customized Services for Its Extensive Network of Clients	Number of dealerships or local representations for new technologies or component materials	Absolute Number	5%	3	0										
					17	3										
					7	1										
SM 10	Number of export producers utilizing Customs-Bonded Warehouse Services	Absolute Number	5%	17	3											
SM 11	Number of Countertrade Agreement signed with suppliers	Absolute Number	5%	5	1											
SO 6	Check Compliance of Supplier with PH Government and International Regulatory Bodies (Vetting)															

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Component		Baseline				2015						
Objective/Measure	Formula	Weight	2014	1 st Quarter Target	1 st Quarter Actual	2 nd Quarter Target	2 nd Quarter Actual	Revised Full Year Target	3 rd Quarter Target	3 rd Quarter Actual	4 th Quarter Target	4 th Quarter Actual
SM 12	Number of export suppliers vetted and certified	Absolute Number	5%	400	66	154			286		440	
SO 7 Resolve Contract Implementation Issues (Project Implementation)												
SM 13	Percentage of Requests Responded on Exports	Total number of responses made (email or letter)/ Total number of issues raised/ received	5%	85%	85%	85%			85%		85%	
Sub-total			25%									
SO 8 Increase the Competencies of the Business and Support Units												
SM 14	Achieve group performance targets	Actual/Target x 100%	5%	90%							95%	
SO 9 Automate Key Business Processes												
SM 15	ICT-based systems automated		3%						1		3	

LEARNING AND GROWTH

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Component		Baseline				2015						
Objective/Measure	Formula	Weight	2014	1 st Quarter Target	1 st Quarter Actual	2 nd Quarter Target	2 nd Quarter Actual	Revised Full Year Target	3 rd Quarter Target	3 rd Quarter Actual	4 th Quarter Target	4 th Quarter Actual
SO 10 Acquire and Sustain ISO Certification of QMS												
SM 16	ISO 9001:2008 QMS acquired and sustained	5%	Prepared QMS Manual and Manual of Procedures								ISO Certification	
	<i>Sub-total</i>	13%										
	TOTAL	100%										

Note: Values are cumulative, such that 4th Quarter reflects the Full Year Target

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