

## 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)**

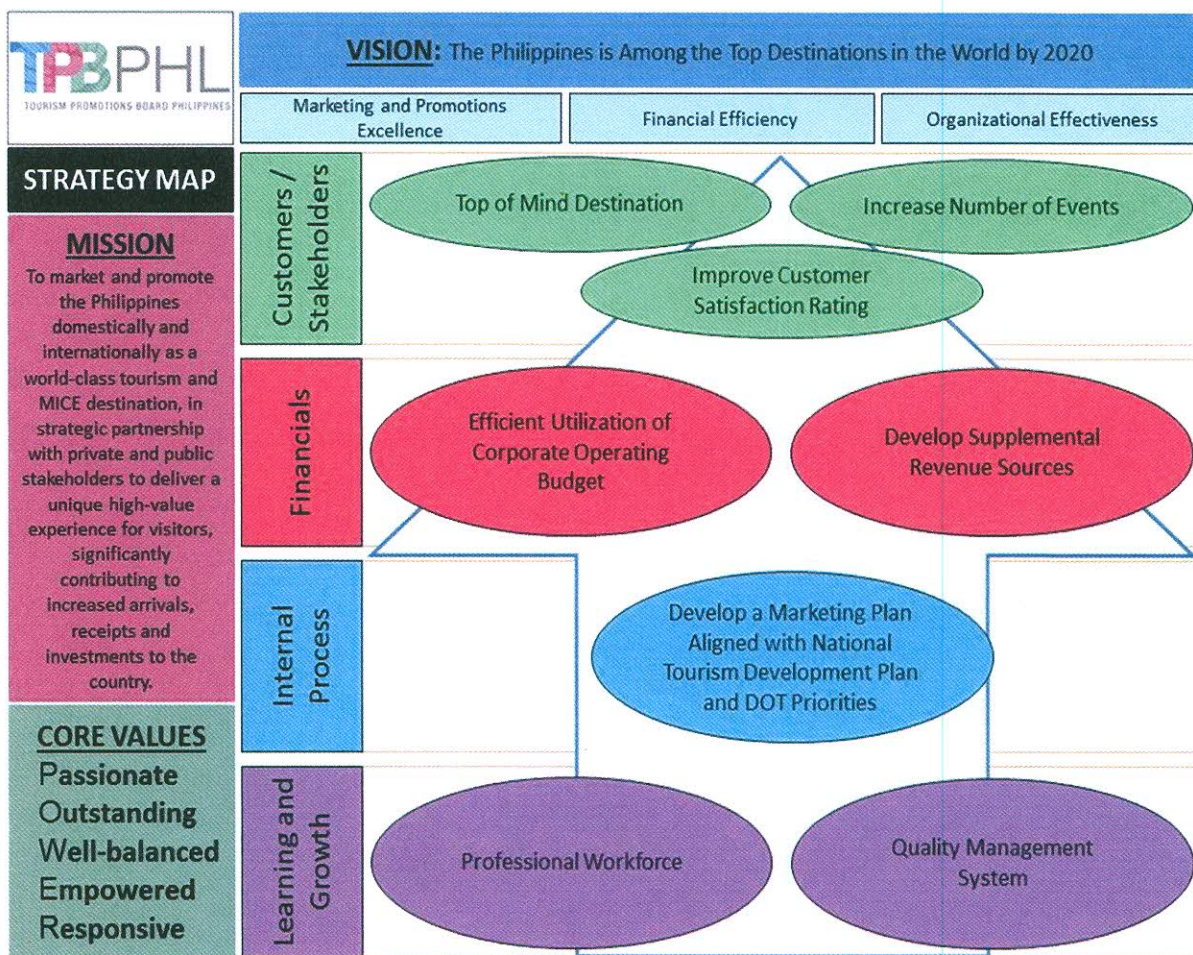
- and -

**TOURISM PROMOTIONS BOARD (TPB)**

**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 TPB for the FY 2015 PBB and PBI.
2. **Charter Statement and Strategy Map.** – TPB's Charter Statement and Strategy Map for the Period specified in Section 1 hereof, shall be as follows:



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3. **Measurement of Performance.** – Based on the Performance Scorecard 2015 attached hereto as **Annex A**, the TPB'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	Top of Mind Destination			
	SM 1	International Visitors form the TPB Key Markets (12 key markets plus Overseas Filipinos)	10%	4.9 million = 10% 4.7 million = 9% 4.5 million = 8% 4.3 million = 5% Below 4.3 million = 0%	4.9 million
	SM 2	Number of TPB-assisted domestic and international events held in the Philippines including won bids	10%	(Actual/Target) x weight	399
	SM 3	Click thru rate of digital campaigns	5%	(Actual/Target) x weight	2.06%
	SO 2	Increase Number of Events			
	SM 4	Implementation of Programmed Events based on the Board-approved work program	10%	(Actual/Target) x weight	Average 90% achievement of all targets in the planned events (based on the Board-approved work program submitted not later than 31 December 2014)
	SO 3	Improve Customer Satisfaction Rating (electronic)			
	SM 5	Satisfactory Rating (third party)	10%	Below Satisfactory = 0%	Satisfactory or its equivalent
		Sub-total	45%		
FINANCIAL	SO 4	Efficient Utilization of Corporate Operating Funds			
	SM 6	Utilization of Corporate Operating Funds	10%	(Actual/Target) x weight	90%
	SM 7	Return on Marketing Investment (ROMI) of TPB domestic and international marketing and promotions project	10%	(Actual/Target) x weight	125%
	SM 8	ROMI of TPB marketing communications project	10%	(Actual/Target) x weight	130%
	SO 5	Develop Supplemental Revenue Sources			
	SM 9	Revenues from TPB business development initiatives	5%	(Actual/Target) x weight	90% of targets (based on the Board-approved Business Development Plan for 2015-2017 submitted not later than 2 <sup>nd</sup> quarter of 2015)
		Sub-total	35%		

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INTERNAL PROCESSES	SO 6	Develop a Marketing Plan Aligned with National Tourism Development Plan and DOT Priorities			
	SM 10	Board-approved Marketing Framework for 2016	10%	All or Nothing	Board-approved Marketing Framework
		<b>Sub-total</b>	<b>10%</b>		
LEARNING AND GROWTH	SO 7	Professional Workforce			
	SM 11	Competency Profile of Positions	5%	(Actual/Target) x weight	150 positions
	SO 8	Quality Management System			
	SM 12	ISO Certification	5%	All or Nothing	ISO Certification
		<b>Sub-total</b>	<b>10%</b>		
		<b>TOTAL</b>	<b>100%</b>		

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.** – TPB 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 – Philippine Travel Exchange (PHITEX);
  - (b) Strategic Initiative 2 – MICE Conference;
  - (c) Strategic Initiative 3 – Visit the Philippines Year 2015 Domestic Road Shows;
  - (d) Strategic Initiative 4 – Visit the Philippines Year 2015 International Road Shows;
  - (e) Strategic Initiative 5 – ISO 9001:2008 Quality Management Systems

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

5. **Quarterly Submission of Performance Monitoring.** – TPB 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

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

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8. TPB shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, TPB shall copy furnish the Governance Commission copies of all written communications between TPB 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 6<sup>th</sup> day of January 2015, 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

  
**RAINIER B. BUTALID**  
Commissioner

**TOURISM PROMOTIONS BOARD**

  
**RAMON R. JIMENEZ, JR.**  
DOT Secretary and Chairperson

  
**DOMINGO RAMON C. ENERIO III**  
Chief Operating Officer

  
**ALBERT F. DEL ROSARIO**  
DFA Secretary and  
Ex Officio Board Member

  
**JOSEPH EMILIO A. ABAYA**  
DOTC Secretary and  
Ex Officio Board Member

  
**GREGORY L. DOMINGO**  
DTI Secretary and Ex Officio Board  
Member



**MARK T. LAPID**  
*TIEZA COO and Ex Officio Board  
Member*



**EDWIN VINCENT V. ORTIZ**  
*Board Member*



**ISAGANI G. BUENAFLOR**  
*Board Member*



**MA. MARGARITA F. VILLARICA**  
*Board Member*



**MARGARITA F. MUNSAYAC**  
*Board Member*



**MARIA MONTSERRAT I. HAMLIN**  
*Board Member*