



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 -

MANILA INTERNATIONAL AIRPORT AUTHORITY (MIAA)

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



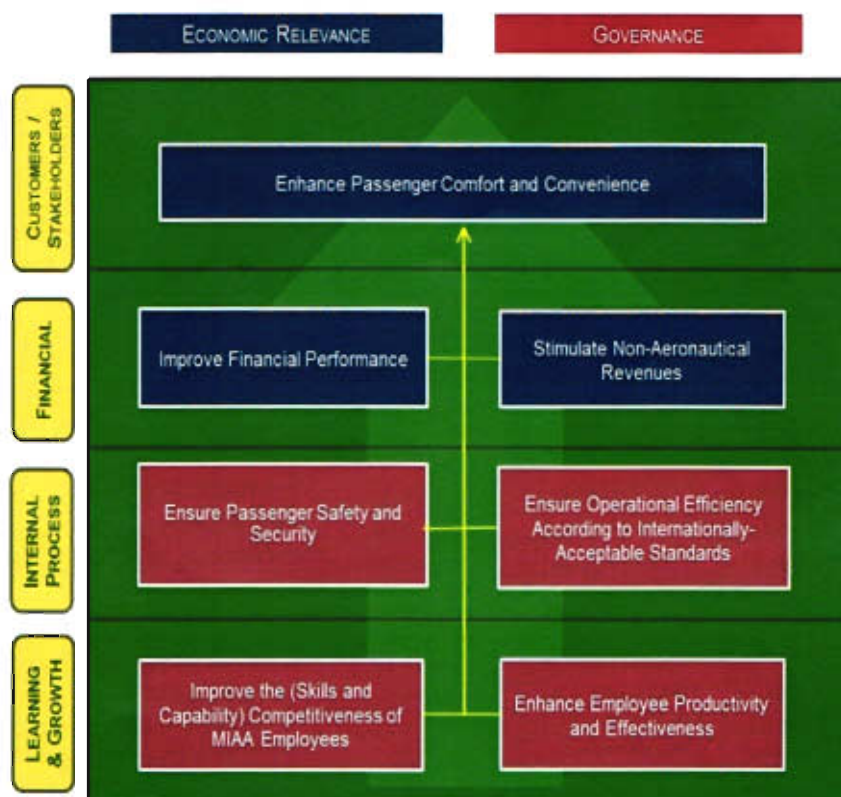
MANILA INTERNATIONAL
AIRPORT AUTHORITY

STRATEGY MAP

VISION

Manila International Airport Authority, by 2020, will be the leading organization in airport development and management pursuing excellence in customer service, world-class facilities, high quality security and safety standards, to encourage and promote international and domestic air traffic in the Country as a means of making the Philippines a center of international trade and tourism.

MISSION
MIAA commits to uplift the Philippines by providing exceptional airport services through professionalism, unity, and commitment of the management, ensures customer security and continuous development that suits evolving standards at the service of international and local markets.
CORE VALUES
Our cornerstone of airport operation is the continuous strengthening of our core values focusing on Service Excellence, Safety, Integrity and Innovation.
Service Excellence Safety Integrity Innovation



COMPONENT		WEIGHT	RATING SCALE	2015 TARGET	
CUSTOMERS	SO 1	To improve mobility and accessibility of passengers			
	SM 1	Airline share	4%	(Actual/Target) x Weight	238,098
	SM 2	Passenger volume	3%	(Actual/Target) x Weight	34,306,527
	SM 3	Cargo volume	3%	(Actual/Target) x Weight	503,256
		Sub-total	10%		
	SO 2	Enhance Passenger Comfort and Convenience			
	SM 4	Customer Passenger Satisfaction Survey in relation to Airport Services, Processes and Facilities	4%	Average rating of passengers on a 5-point scale	To commission 3rd party survey
	SM 5	Airline Satisfaction Survey in relation to Airport Services, Processes and Facilities	4%	Average rating of airlines on a 5-point scale	To commission 3rd party survey
	SM 6	Airport Concessionaires Satisfaction Survey in relation to Airport Services and Facilities	4%	Average rating of airlines on a 5-point scale	To commission 3rd party survey
	SM 7	Implementation of Passenger Service Charge (IPSC) Integration Program			
		a. Systems/ Airline	4%	% Completion	100%
		b. Revenue	3%		
		c. Passengers	3%		
		Sub-total	22%		
	SO 3	To Improve Financial Operations and Revenue Generation			
	SM 8	Gross Revenues (in Billion pesos)	9%	Total Revenue for the year	9.95 Billion
	SM 9	EBITDA (in Billion pesos)	9%	EBITDA Margin = Net Income + Interest, Taxes, Depreciation & Amortization	3.622
	SM 10	Rental Revenues from Terminal-1 and the Multi Story Mall @ Terminal-3 (in Million pesos)	5%	Additional Revenue for the year	372
	SM 11	Concessions Privilege Fee (CPF) from Advertising Concessions @ Terminal-1 (in Million pesos)	5%	Additional Revenue for the year	76
		Sub-total	28%		

	SO 4	Ensure Operational Efficiency according to International Acceptable Standards			
	SM 12	ISO Certification 9001:2008	10%	100% Certification Issued	100%
		Sub-total	10%		
	SO 5	To Cover a Wider Area of Service			
FINANCIAL	SM 13	Response Time for Aircraft Emergencies within the Aircraft Movement Area per ICAO Standard	2.50%	No. of incidents not more than 3 minutes response time / Total no. of incidents	100%
	SM 14	Response Time by Airport Police for Bomb Threats	2.50%	No. of incidents not more than 10 minutes response time / Total no. of incidents	100%
	SM 15	Response Time for Non-Aircraft Emergencies	2.50%	No. of incidents more not than 10 minutes response time / Total no. of incidents	100%
	SM 16	Response Time for Sick Call / Medical Emergencies	2.50%	No. of incidents not more than 12 minutes response time / Total no. of incidents	100%
	SM 17	CCTV Coverage @ Critical Areas (Installation of CCTV Cameras)	5%	(Actual Coverage Area / Target Coverage Area) * 100%	100%
			Sub-total	15%	
	SO 6	Enhance Employee Productivity and Effectiveness			
INTERNAL PROCESS	SM 18	Implementation of Rationalization Plan of MIAA	0%	(No. of filled-up position / No. required to be filled-up) * 100%	20%
	SM 19	Implementation of Strategic Performance Management System (SPMS)	5%	Full Implementation	100%
	SM 20	Competency Framework	10%	Approval by the GCG of Competency Framework	Development
			Sub-total	15%	
		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.** – MIAA 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 - Retrofitting of Public CR's at SW/NW Arrival & Departure Area, Terminal 2 (SA104, SD204, NA104 & ND204);
 - (b) Strategic Initiative 2 – Rehabilitation of Pipeline of Water Distribution System Pipe;
 - (c) Strategic Initiative 3 – Retrofitting of Public CR's (Main and Secondary Parking);

- (d) Strategic Initiative 4 - Covered Walkway from MIAA Admin Gate 2 to NAIA Terminal 2 Arrival;
- (e) Strategic Initiative 5 - Covered Walkway from Bay 23 to Carpark 2 NAIA Terminal 2 Arrival;
- (f) Strategic Initiative 6 - Upgrading of Flights Information Display System (FIDS);
- (g) Strategic Initiative 7 - Replacement of Ten (10) Units passenger Boarding Bridge with New Power Feeder Line Cable & Conduit;
- (h) Strategic Initiative 8 - Development Plan for Parking B (Security Fence & Gates including Landscaping);
- (i) Strategic Initiative 9 - Rehabilitation and Upgrading of Neon Signages Located at Air side and Land Side;
- (j) Strategic Initiative 10 - Replacement of the old Digital and Analog Clocks;
- (k) Strategic Initiative 11 - Implementation of Learning and Development Programs for MIAA Employees;
- (l) Strategic Initiative 12 - ISO Certification;
- (m) Strategic Initiative 13 - Lease and Development of a Multi – Storey Mall at NAIA Terminal – 3;
- (n) Strategic Initiative 14 - New Concessionaires Stalls of NAIA Terminal – 1;
- (o) Strategic Initiative 15 - Airport Security Command and Control Center (CCC);
- (p) Strategic Initiative 16 - Digital Trunked Radio System (DTRS);
- (q) Strategic Initiative 17 - Closed Circuit Television (CCTV) and Perimeter Intrusion Detection System (PIDS);
- (r) Strategic Initiative 18 - Supply, Installation and Commissioning of a New Fiber Optic Network;
- (s) Strategic Initiative 19 - Refurbishment of Furniture & Fixtures at Terminal-1;
- (t) Strategic Initiative 20 - Lighted Signage at GAA (Inner Taxiway);
- (u) Strategic Initiative 21 - MIAA Rationalization Plan and Organizational Restructuring Proposal;
- (v) Strategic Initiative 22 - International Passenger Service Charge (IPSC) Integration Program;
- (w) Strategic Initiative 23 - Detailed Engineering Design – Consultancy Services for the Proposed Upgrading of Taxiway H – 1 to Taxiway C – 5; and
- (x) Strategic Initiative 24 - Consultancy Services for the Structural Investigation of Terminal 1 Apron and Remote Parking (Detailed Engineering Design).

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

5. **Quarterly Submission of Performance Monitoring.** – MIAA 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. MIAA hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. MIAA 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 MIAA's Performance Scorecard, and shall be used solely as a reference by GCG and MIAA during Performance Agreement Negotiations/Renegotiations.
8. MIAA 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, MIAA shall copy furnish the Governance Commission copies of all written communications between MIAA 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 8th day of June 2015, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION
FOR GOCCs**
BY AUTHORITY OF THE COMMISSION:

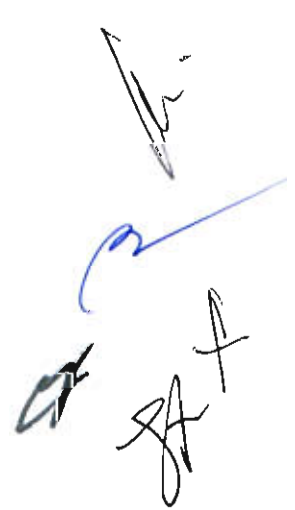


CESAR L. VILLANUEVA
Chairman

**MANILA INTERNATIONAL AIRPORT
AUTHORITY**



JOSE PERPETUO M. LOTILLA
Alternate Chairman





MA ANGELA E. IGNACIO
Commissioner



JOSE ANGEL A. HONRADO
*General Manager and
Vice-Chairman*



RAINIER B. BUTALID
Commissioner

CESAR V. PURISIMA
Board Member



JOSE VICENTE B. SALAZAR
Board Member



MA. VICTORIA V. JASMIN
Board Member



RODANTE S. JOYA
Board Member



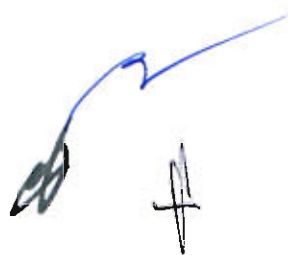
MARIA EDITA Z. TAN
Board Member



HELEN R. OSIAS
Board Member



CESAR A. BUENAVENTURA
Board Member



MANILA INTERNATIONAL AIRPORT AUTHORITY

		Component				Baseline Data (if applicable)			Target
		Objective/Measure	Formula	Weight	Rating System ^{a/}	2012	2013	2014	2015
Social Impact	SO 1	To improve mobility and accessibility of passengers							
	SM 1	Airline share	Absolute Figures	4%	(Actual/Target) x Weight	235,517	237,050	236,442	238,098
	SM 2	Passenger volume		3%		31,878,935	32,866,599	34,091,159	34,306,527
	SM 3	Cargo volume		3%		460,135	457,077	519,738	503,256
			Sub-total		10%				
Customer and Stakeholders	SO 2	Enhance Passenger Comfort and Convenience							
	SM4	Customer Passenger Satisfaction Survey in relation to Airport Services, Processes and Facilities	Average rating of passengers on a 5-point scale	4%	All or Nothing	N/A	N/A	N/A	To commission 3rd party survey
	SM5	Airline Satisfaction Survey in relation to Airport Services, Processes and Facilities	Average rating of airlines on a 5-point scale	4%	All or Nothing	N/A	N/A	N/A	To commission 3rd party survey
	SM6	Airport Concessionaires Satisfaction Survey in relation to Airport Services and Facilities	Average rating of airlines on a 5-point scale	4%	All or Nothing	N/A	N/A	N/A	To commission 3rd party survey
	SM7	Implementation of Passenger Service Charge (IPSC) Integration Program	% Completion						
		a. Systems/ Airline	% Completion	4%	All or Nothing	N/A	N/A	N/A	100%
		b. Revenue		3%	All or Nothing	N/A	N/A	N/A	
		c. Passengers		3%	All or Nothing	N/A	N/A	N/A	
		Sub-total		22%					

		Component			Baseline Data (if applicable)			Target	
	Objective/Measure	Formula	Weight	Rating System ^{a/}	2012	2013	2014	2015	
Financial	SO 3	To Improve Financial Operations and Revenue Generation							
	SM 8	Gross Revenues (in Billion pesos)	Total Revenue for the year	9%	(Actual/Target) x Weight	8.28	8.55	8.818	9.95 Billion
	SM 9	EBITDA (in Billion pesos)	EBITDA Margin = Net Income + Interest, Taxes, Depreciation & Amortization	9%		N/A	N/A	3.033	3.622
	SM 10	Rental Revenues from Terminal-1 and the Multi Story Mall @ Terminal-3 (in Million pesos)	Additional Revenue for the year	5%		N/A	N/A	4	372
	SM 11	Concessions Privilege Fee (CPF) from Advertising Concessions @ Terminal-1 (in Million pesos)	Additional Revenue for the year	5%		N/A	N/A	16	76
		Sub-total		28%					
Internal Process	SO 4	Ensure Operational Efficiency according to International Acceptable Standards							
	SM 12	ISO Certification 9001:2008	100% Certification Issued	10%	All or Nothing	N/A	N/A	70%	100%
	SO 5	To Cover a Wider Area of Service							
	SM 13	Response Time for Aircraft Emergencies within the Aircraft Movement Area per ICAO Standard	No. of incidents not more than 3 minutes response time / Total no. of incidents	2.5%	All or Nothing	N/A	N/A	100%	100%
	SM 14	Response Time by Airport Police for Bomb Threats	No. of incidents not more than 10 minutes response time / Total no. of incidents	2.5%	All or Nothing	N/A	N/A	100%	100%

Component		Objective/Measure	Formula	Weight	Rating System ^{a/}	Baseline Data (if applicable)			Target
						2012	2013	2014	2015
	SM 15	Response Time for Non-Aircraft Emergencies	No. of incidents more not than 10 minutes response time / Total no. of incidents	2.5%	All or Nothing	N/A	N/A	100%	100%
	SM 16	Response Time for Sick Call / Medical Emergencies	No. of incidents not more than 12 minutes response time / Total no. of incidents	2.5%	All or Nothing	N/A	N/A	100%	
	SM 17	CCTV Coverage @ Critical Areas (Installation of CCTV Cameras)	(Actual Coverage Area / Target Coverage Area) * 100%	5%	All or Nothing	N/A	N/A	N/A	100%
		Sub-total		25%					
LEARNING AND GROWTH	SO 6	Enhance Employee Productivity and Effectiveness							
	SM 18	Implementation of Rationalization Plan of MIAA	(No. of filled-up position / No. required to be filled-up) * 100%	0%	All or Nothing	N/A	N/A	N/A	20%
	SM 19	Implementation of Strategic Performance Management System (SPMS)	Full Implementation	5%	All or Nothing	N/A	N/A	N/A	100%
	SM 20	Competency Framework	Approval by the GCG of Competency Framework	10%	All or Nothing	N/A	N/A	N/A	Development
			Sub-total		15%				
		TOTAL		100%					