



LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

SYSTEM OF RATING AND RANKING INDIVIDUAL OFFICERS AND EMPLOYEES:

(Updated: 2022)

SYSTEM OF RATING:

The LBP Leasing and Finance Corporation (LLFC) implements its STRATEGIC PERFORMANCE MANAGEMENT SYSTEM (SPMS) in rating the performance of its officers and employees. The SPMS covers all full-time regular officers and employees, whether permanent, temporary or co-terminus, and all LLFC Groups / Units including the Office of the President/CEO for the full performance management cycle.

The LLFC SPMS is in accordance with GCG Memorandum Circular No. 2015-06 which mandates the establishment and implementation of a Strategic Performance Management System (SPMS) approved by the Civil Service Commission (CSC) **or its equivalent**. The LLFC SPMS is the equivalent of the CSC SPMS as it is aligned to the CSC SPMS model as provided in CSC MC NO.6, s. 2012 (March 19, 2012) and CSC Resolution No. 1200481 dated March 16, 2012.

The LLFC SPMS is uploaded at the Corporation's Transparency Seal at the LLFC website (www.lbpleasing.com)

Under the SPMS, LBP Leasing and Finance Corporation (LLFC) rates its personnel annually ending in December 31st of every year. The Rating Scale under the LLFC SPMS is as follows:

PERFORMANCE EVALUATION RATING SCALE:

| Scores | Equivalent Performance Measures |
|--------|--|
| 5 | <p><u>FOR NON-FIXED TARGETS,</u> Performance exceeded expectations by 30% and above of the planned non-fixed targets.</p> <p>Performance demonstrated was exceptional in terms of quality, technical skills, creativity, and initiative, showing mastery of the task.</p> <p>Accomplishments were made in more than expected but related aspects of the target.</p> <p><u>FOR FIXED TARGETS,</u> performance should have reached at least "100% accomplishment of the planned fixed target".</p> <p>Require accomplishments of 100% of the targets such as those pertaining to money or accuracy of those which may no longer be exceeded. Fixed Targets are Key Result Areas (KRAs) wherein</p> |

| Scores | Equivalent Performance Measures |
|--------|---|
| | <p>the full accomplishment may not be exceeded by 100%. Some KRA examples are: Financial Targets ISO QMS Certification</p> |
| 4 | <p><u>FOR NON-FIXED TARGETS</u>, performance exceeded expectations. All goals, objectives and targets were achieved above the established standards.</p> <p>Ratee's performance exceeds planned targets by 15% to 29%.</p> <p><u>FOR FIXED TARGETS</u>, performance should have reached at least "90-99% accomplishment of the planned fixed target".</p> |
| 3 | <p><u>FOR NON-FIXED TARGETS</u>, performance met expectations in terms of quality of work, efficiency and timeliness. The most critical annual goals were met.</p> <p>Ratee's performance meets 100% or exceeds planned targets up to 14%.</p> <p><u>FOR FIXED TARGETS</u>, performance met 80-89% of the planned fixed targets.</p> |
| 2 | <p><u>FOR NON-FIXED TARGETS</u>, performance failed to meet expectations, and/or one of the most critical goals were not met.</p> <p>Ratee's performance only meets 51% to 99% of the planned targets.</p> <p><u>FOR FIXED TARGETS</u>, performance only met 70-79% of the planned fixed targets.</p> |
| 1 | <p><u>FOR NON-FIXED TARGETS</u>, performance was consistently below expectations, and/or reasonable progress toward critical goals was not made.</p> <p>Significant improvement is needed in one or more important areas.</p> <p>Ratee's performance only meet 50% or below the planned targets.</p> <p><u>FOR FIXED TARGETS</u>, performance failed to deliver most of the targets by 69% and below.</p> |

As provided under the LLFC SPMS, the LLFC Performance Calibration Team (PCT), based on the results of the performance evaluations as indicated in the duly accomplished Individual Performance Commitment and Review (IPCR) Forms during the year, shall undertake the annual calibration of officers and employees and shall identify top performers for grant of Performance-based bonuses and other awards and incentives, as applicable.

PERFORMANCE BASED BONUS

Section VI.C of E.O. 150 s. 2021 allows the grant of Variable Pay or Performance Based Bonus to qualifies officers and employees in recognition of their contribution to the accomplishment of LLFC's overall targets and commitments. The grant of the PBB shall be in accordance with the guidelines to be established by the GCG. GCG issued GCG MC No. 2019-02 – Interim Performance-Based Bonus (2022) and 2021-02 – Good Governance Conditions (GGCs) and Other Conditions and Requirements (OCRs) for the Grant of Interim Performance-Based Bonus (PBB) related to the grant of PBB.

ELIGIBILITY OF INDIVIDUAL OFFICER AND EMPLOYEES:

All Officers and Employees of GOCCs who occupy regular, casual or contractual positions with employer-employee relationship, shall be entitled to full grant of the PBB from their employer at the time of the release of the PBB; Provided, they have rendered an aggregate of at least nine (9) months of service in the public sector for the applicable PBB year. Officers and Employees who do not meet the 9-month service requirement but have served at least 3 months of service shall be entitled to PBB on a pro-rata basis, as provided in Section 5.1.6 of GCG Memo Circular 2019-02.

SYSTEM OF RANKING:

Based on the calibration of the LLFC PCT, the officers and employees are ranked within their respective levels, as follows, in accordance with GCG MC No. 2019-02:

- **Senior Management**
This refers to the executive officers of LLFC, and includes all the President and Chief Executive Officer (CEO); the Executive Vice President; and the heads of groups, which are primarily involved in the development, evolution, and approval of long-term vision across a function or area of specialization. They are those who lead the development of function strategy, implement and maintain policies of the organization for area of responsibility.
- **Middle Management**
This covers the heads of offices and units in LLFC whose work is primarily achieved through others, with direct accountability for setting direction and deploying resources. They are responsible for people management, including performance evaluation and pay reviews and typically hire/fire decisions. Included in this level are individual contributors who are recognized as subject matter experts with in-depth technical knowledge, project management and significant influence skills in area of expertise.

- **Professional and Supervisory**

The LLFC supervisors/officers and professionals are included in this level. Specifically, the personnel in this level perform functions that are primarily achieved by an individual or through project teams and require the application of expertise in professional or technical area(s) to achieve results. The positions under this level typically require a university degree or equivalent work experience that provides knowledge and exposure to fundamental theories, principles and concepts.

- **Clerical and General Staff**


This level includes all LLFC clerical, administrative and secretarial staff with little or no supervisory responsibility but who contribute independently to the organization, as well as, basic computing/data processing staff such as operators, customer service assistants and skilled craftsmen/technicians.


For purposes of the distribution of the Performance-Based Bonus, in each of the levels, the ratings of officers and employees shall be quantified to allow for ranking on a percentile basis as provided under the applicable GCG MC.

RATES OF PBB:

The grant of the PBB shall be based on the performance of the individual Officers and Employees with the rate of incentive as a multiple of the individual's monthly basic salary (MBS) as of 31 December of the applicable year based on the table below, but not lower than P5,000:

| Percentile | PBB as % of MBS Per Level |
|------------------------|------------------------------|
| Top: Maximum 10% | 65.0% |
| Next: Maximum 25% | 57.5% |
| Remaining: Minimum 65% | 50.0% |


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 Date: 11/15/2022


MICHAEL P. ARAÑAS
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 Date: 11/15/2022