

**PHILIPPINE NATIONAL OIL COMPANY (PNOC)
Validated 2019 Performance Scorecard**

Component				Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	2019		Actual	Rating	Score	Rating				
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets										
	SM 1	Establishment of PNOC LNG Integrated Systems Project	Actual Accomplishment	10%	All or Nothing	Submission of Preliminary Feasibility Study to the PNOC Board	Submitted the Results of the Pre-Feasibility Study for the PNOC LNG Hub Project to the PNOC Board on November 26, 2019	10%	Submission of Preliminary Feasibility Study to the PNOC Board	10%	<ul style="list-style-type: none"> Secretary's Certificate certifying the Board Approval of the results of the Pre-Feasibility Study conducted for the PNOC Batangas LNG HUB 	PNOC Board of approved the results of the Pre-Feasibility Study conducted for the PNOC Batangas LNG HUB on 26 November 2019. The study was jointly developed by PNOC and its Project Transaction Advisor, Asian Development Bank (ADB).
	Sub-total			10%				10%		10%		
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders										
	SM 2	Percentage of Satisfied Customers	No. of Satisfied Respondents over Total Number of Respondents	10%	Actual over Target If less than 80% = 0%	90% Satisfied Customers ¹	94.44% Satisfied Customers	10%	94.44% Satisfied Customers	10%	<ul style="list-style-type: none"> 2019 PNOC Customer Satisfaction Survey Final Report Final Report Annexes 5 accomplished questionnaires 	PNOC received "very satisfied" and "satisfied" ratings from 94.44% (51 out of 54) of the survey respondents.
	Sub-total			10%				10%		10%		

¹ Customers to include PNOC lessees from its real estate properties, locators from the PNOC Industrial Park, and customers from the Energy Supply Base.

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FINANCE	SO 3 Maintain a Sound Financial Condition																							
	SM 3	Net Income	Income from Operations Add/deduct: Forex Gains/Loss, Other Income, Income Tax and Unrealized Gain/Loss	30%	Actual over Target	₱ 405.67 M	₱ 714.05 M	30%	₱ 714.14 M	30%	<ul style="list-style-type: none"> Net Income 2019 Actual Accomplishment Report 2019 COA Audited Financial Statements 	<table border="1"> <tr> <td>Total Revenues</td> <td>1,363.63</td> </tr> <tr> <td>Total Operating Expense</td> <td>476.39</td> </tr> <tr> <td>Net Income Before Tax</td> <td>887.24</td> </tr> <tr> <td>- Income Tax Expense</td> <td>172.88</td> </tr> <tr> <td>- Other Comprehensive Loss</td> <td>0.22</td> </tr> <tr> <td>Net Income</td> <td>714.14</td> </tr> </table>	Total Revenues	1,363.63	Total Operating Expense	476.39	Net Income Before Tax	887.24	- Income Tax Expense	172.88	- Other Comprehensive Loss	0.22	Net Income	714.14
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Sub-total			30%				30%		30%															
INTERNAL BUSINESS PROCESS	SO 4 Develop Liquefied Natural Gas (LNG) Projects																							
	SO 5 Maintain Efficient Management of PNOC Industrial Park																							
	SM 4	Compliance to Integrated Management System (IMS) Standards	Actual Accomplishment	10%	All or Nothing	Re-Certification Audit of PNOC Industrial Park	Passed re-certification audit of PNOC Industrial Park on December 20, 2019	10%	Passed re-certification of PNOC Industrial Park on December 20, 2019	10%	<ul style="list-style-type: none"> Attestation Certificate issued by SOCOTEC dated 20 December 2019. 	The Certification covers the requirements of ISOs 9001:2015, 14001:2015 and 45001:2018.												

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Objective/Measure	Formula	Wt.	2019		Actual	Rating	Score	Rating				
INTERNAL BUSINESS PROCESS	SO 6 Optimize Asset Productivity											
	SM 5	Operation of Energy Supply Base	Actual Accomplishment	0%	All or Nothing	Board-approved Detailed Feasibility Study on the ESB Master Plan	Completed 31.45% of the target conduct of DFS on the ESB Masterplan	10%	Completed 31.45% of the target conduct of DFS on the ESB Masterplan	0%	<ul style="list-style-type: none"> Board-Approved Terms of Reference for the consultancy services for DFS, DED and EIA Progress Report by Woodfields Consultancy, Inc. as of Dec. 2019 Secretary's Certificates approving budgets on DFS, DED and EIA and contract award. 	<p>The Contract for the conduct of DFS was revised to include the conduct of Environmental Impact Assessment (EIA) and Detailed Engineering Design (DED) "to reduce and/or compress time" and "cut cost."</p> <p>The Notice to Proceed (NTP) was received by the contractor on 30 September 2019. As of Dec. 2019, the overall project accomplishment is at 31.45%. The target completion date is 30 June 2020.</p>
	SM 6	Contracting out of PAFC Industrial Park Assets	Actual Accomplishment	5%	All or Nothing	Board-approved Evaluation Report for the Issuance of the Certification of Conformance (COC) for PRII/MVC	Board-approved Evaluation Report for the Issuance of the Certification of Conformance (COC) for PRII/MVC	5%	Board-approved Evaluation Report for the Issuance of the Certification of Conformance (COC) for PRII/MVC	5%	<ul style="list-style-type: none"> Secretary's Certificates certifying the Board Approval of the Evaluation Report for the Issuance of the Certification of Conformance (COC) for PRII/MVC dated 18 July 2019. 	<p>PNOC Board approved the Evaluation Report for the Issuance of the Certification of Conformance (COC) for PRII/MVC on its meetings held on 27 May and 28 June 2019.</p>
	SM 7	No. of PDMC Assets Utilized/Disposed at a Gain	No. of PDMC Assets Utilized/Disposed at a Gain over Target Number of PDMC Assets Utilized/Disposed at a Gain	5%	Actual over Target	5 Costa Verde Properties (through sale)	10 Costa Verde Properties	5%	10 Costa Verde Properties	5%	<ul style="list-style-type: none"> Deeds of Absolute Sale for ten (10) Costa Verde properties 	<p>Total sale price for the ten (10) sold properties amounts to ₱10,771,600.</p>
Sub-total			20%				30%		20%			

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LEARNING AND GROWTH	SO 7 Develop, Implement and Maintain Efficient and Effective Systems											
	SM 8	Compliance to Quality Standards	Actual Accomplishment	10%	All or Nothing	Surveillance Audit Passed	Passed PNOC QMS 2 nd Surveillance Audit on June 18, 2019	10%	Passed PNOC QMS 2 nd Surveillance Audit on June 18, 2019	10%	<ul style="list-style-type: none"> Attestation Certificate dated 18 June 2019 issued by SOCOTEC Certification Philippines, Inc. 	PNOC passed the QMS 2 nd Surveillance Audit on 18 June 2019.
	SO 8 Acquire, Develop, Retain and Motivate Talents for Peak Performance											
	SM 9	Percentage of employees with required competencies met	Number of Employees with Required Competencies over Total Number of Employees	10%	Actual over Target	Increase from Established Baseline	Conducted Final Assessment and validation on the Competency Acquired by the PNOC Employees for CY 2019	10%	97.87%	10%	<ul style="list-style-type: none"> Certification dated 5 June 2020 Summary of Baseline Competency Profile as of December 2019 Person Profiling Report as of 31 December 2019 	46 out of 47 (97.87%) employees met the required competencies for their positions. This is 24.19% higher than the 2018 established baseline of 73.68% (42/57). Increase for this Measure still uses the 2018 Baseline as reference considering PNOC completed the implementation of its reorganization only in mid-2019.
	SO 9 Restructure the Organization to an Operating Energy Company that is Responsive to the Attainment of the Vision											
			Sub-total	20%				20%		20%		
			TOTAL	100%				100%		90%		