


**SUMMARY OF AGREEMENTS
PHILIPPINE NATIONAL OIL COMPANY
2015**

TWG AGREEMENT										
Component										
		Weight	Formula	Baseline	Target	2016	2017	2018	2019	
SO 1	Provided Vital Energy Infrastructure for the Development of Energy Industry									
Social Impact	SM 1	Establishment of the Country's Natural Gas Infrastructure								
		a. BatMan Pipeline Project	20%	90% = Completion of DFS 95% = PNOC Board Approval of DFS 100% = Certification of DOE on the PNOC Board Approved DFS	Completed Technical Study	30% Completion of the BatMan 1 DFS approved by the PNOC Board, and such approval certified by the DOE.	40% Preparation of bid documents and bidding.	60% 35% of Construction	95% 70% of Construction	To be provided by PNOC
		b. Spur Lines	10%	Pass or Fail	N/A	10% Inclusion of the preliminary study in the PNOC Board approved DFS	15% Terms of Reference (TOR) for conduct of the DFS	20% Completion of DFS	95% 55% of Construction	To be provided by PNOC
	SM 2	Establishment of the Country's Strategic Petroleum Reserves (SPR)		10%		Submission of a concept paper for SPR (Board approved)	Procurement of consultant to undertake a DFS	Implementation of the SPR in Luzon	Implementation of the SPR in Visayas	Implementation of the SPR in Mindanao
Stakeholders	SO 2	Operated in an Environment of Fairness and Transparency in our Dealing with Stakeholders								
	SM 3	Stakeholders Satisfaction Rating	5%	Outstanding = 100% VS = 95% S = 90% Based on average of survey results	N/A	Average of at least satisfactory rating (DOE, CSC, Congress, PNOC-EC, PNOC-RC, SC 38 Consortium)	5% higher of previous year rating	5% higher of previous year rating	5% higher of previous year rating	To be provided by PNOC
FINANCE	SO 3	Ensure Sound Financial Condition								
	SM 4	Net Income (excluding all income or dividends received from operating subsidiaries and Banked Gas) Based on profitability formula on Item 6 in GCG MC 2014-05 (Re-issued)	10%	Actual Net Income/Target Net Income	P1.983 billion	P130 million	For revision			To be provided by PNOC
	SO 4	Ensure the Optimal Use of Assets								
	SM 5	Sale of Banked Gas	10%	Gross Sales	N/A	Signed Joint Tender Agreement (JTA)	P5.405 billion	P5.137 billion	P5.191 billion	To be provided by PNOC
	SO 5	Build Operating Company Capabilities								

INTERNAL BUSINESS PROCESS	SM 6	% Implementation of the PNOC Reorganization Plan	5%	Pass or Fail	N/A	Execution of an Agreement with Development Academy of the Philippines (DAP)	Implementation of the Reorganization Plan Completion of Qualification Standards Index (QSI) for Technical Positions (Core Positions for PNOC Operating Unit) in New Table of Organization (TO) Start of Hiring	50% Completion of QSI for all new positions in new TO	100% Completion of QSI for all new positions in new TO	To be provided by PNOC
	SM 7	% Completion of Transition Plans	15%	100% = 15/18 95% = 13-14 90% = 11-12 85% = 10 or less	N/A	80% completed (15/18 of activities assumed from PDMC based on Transition Plan submitted)	100% of activities completed (PAFC & PDMC)	N/A	N/A	N/A
LEARNING AND GROWTH	SO 7	Develop Full Employee Potential								
	SM 8	% Implementation of the Strategic Performance Management System (SPMS) in 2016	5%	100% = x/n 95% = x/n 90% = x/n 85% = x or less	Initial Implementation	90% of issues addressed	100% implementation of the SPMS	N/A	N/A	N/A
	SM 9	Competency Framework	10%	100% = 90% and above of employees 95% = 85%-89% of employees 90% = 80%-84% of employees 85% = less than 80% of employees	100% of employees provided with a development intervention based on current TO	100% of employees provided with a development intervention based on current TO	Enter into a contract with CSC	Implementation of the Competency Framework	N/A	N/A
	SO 8	Develop a Professional Culture and Better Employee Morale								
	SM 10	Pass the ISO 9001:2008 surveillance audit for PNOC			N/A	N/A	N/A	N/A	ISO/QMS Certification of PNOC	To be provided by PNOC
		Total Weight	100%							

For GCG:


CESAR L. VILLANUEVA
Chairman

RAINIER B. BUTALID

For PNOC:


ANTONIO M. CAILAO
President/CEO

FERNANDO V. BARREIRO