

**PHILIPPINE NATIONAL OIL COMPANY (PNOC)  
Validated 2017 Performance Scorecard**

	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.		2017	Actual	Rating	Score	Rating			
SOCIAL IMPACT	<b>SO 1 Contribute to Energy Security Targets</b>											
	SM 1	Establishment of PNOG LNG Integrated Systems Project	Actual Accomplishment	15%	All or Nothing	Board-Approved PNOG Batangas LNG Hub Framework Study	Board-approved PNOG Batangas LNG Hub Project Framework	15%	Board-Approved PNOG Batangas LNG Hub Project Framework	15%	<ul style="list-style-type: none"> <li>Secretary's Certificate certifying the Board Approval of the Project Framework</li> </ul>	The PNOG Board of Directors approved the PNOG Batangas LNG Hub Project Framework through Board Res. No. 2466, s.2017.
	<b>Sub-total</b>			15%				15%		15%		
STAKEHOLDERS	<b>SO 2 Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders</b>											
	SM 2	Stakeholder Satisfaction Rating	Average satisfaction rating	10%	90 & above = 100% 80 to 89 = 90% 70 to 79 = 80% 60 to 69 = 70% 59 & below = 0%	Very Satisfactory	Very Satisfactory	10%	Very Satisfactory	10%	<ul style="list-style-type: none"> <li>Stakeholder Satisfaction Survey Report from UPLBFI</li> </ul>	PNOC garnered an overall satisfaction rating of 4.6 out of 5 in the Likert Scale, which is equivalent to a "very satisfactory" rating.
	<b>Sub-total</b>			10%				10%		10%		

	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks																					
	Objective/Measure	Formula	Wt.		2017	Actual	Rating	Score	Rating																							
FINANCE	SO 3	Maintain a Sound Financial Condition																														
	SM 3	Net Income (excluding all income or dividends received from operating subsidiaries)	Based on profitability formula on Item 6 in the GCG MC 2014-05 (Re-issued)	10%	Actual over Target	₱ 258 M <sup>1</sup>	₱ 284.27 M	10%	₱ 289.37 M	10%	<ul style="list-style-type: none"> <li>Financial Statement from COA Annual Audit Report</li> </ul> PNOC initially submitted an unaudited income statement, hence the variance in the submitted and actual accomplishment.																					
	SM 4	Gain from disposal <sup>2</sup> of PNOC Assets	Total Proceeds of sale less Total Net Book Value	5%	Sale > Net Book Value = 100%; Sale ≤ Net Book Value = 0%	Gain on disposal	Gained ₱ 1.276 M	5%	-	Excluded	<ul style="list-style-type: none"> <li>Certificate from Estate Management Department of PNOC</li> </ul> Measure Excluded. No PNOC asset was disposed in 2017. Gain reported was from the lease of three (3) real properties.																					
	SM 5	Gain from disposal of Abolished Subsidiary Assets	Total Proceeds of sale less Total Net Book Value	10%	Sale > Net Book Value = 100%; Sale ≤ Net Book Value = 0%	Gain on disposal. (Disposal of six (6) Real Properties, three (3) Floating Assets & All Industrial Fuel Oil)	Gained ₱ 18.70 M	10%	Gained ₱ 18.69 M	10%	<ul style="list-style-type: none"> <li>Certificate from Estate Management Department of PNOC</li> <li>Deeds of Donation</li> </ul> <table border="1" style="font-size: small;"> <thead> <tr> <th>No. of Prop.</th> <th>Sale Amt.</th> <th>Total Book Value</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Costa Verde Subdivision</b></td> </tr> <tr> <td>14</td> <td>14.7M</td> <td>0.041M</td> </tr> <tr> <td colspan="2"><b>Total Gain</b></td> <td><b>₱14.661M</b></td> </tr> <tr> <td colspan="3"><b>El Pueblo Condomitel</b></td> </tr> <tr> <td>5</td> <td>6.77M</td> <td>2.74M</td> </tr> <tr> <td colspan="2"><b>Total Gain</b></td> <td><b>₱4.033M</b></td> </tr> </tbody> </table> Industrial Fuel Oil assets were donated to the Philippine Navy, and thus excluded from the total gain of assets of the abolished subsidiaries of PNOC.	No. of Prop.	Sale Amt.	Total Book Value	<b>Costa Verde Subdivision</b>			14	14.7M	0.041M	<b>Total Gain</b>		<b>₱14.661M</b>	<b>El Pueblo Condomitel</b>			5	6.77M	2.74M	<b>Total Gain</b>		<b>₱4.033M</b>
	No. of Prop.	Sale Amt.	Total Book Value																													
<b>Costa Verde Subdivision</b>																																
14	14.7M	0.041M																														
<b>Total Gain</b>		<b>₱14.661M</b>																														
<b>El Pueblo Condomitel</b>																																
5	6.77M	2.74M																														
<b>Total Gain</b>		<b>₱4.033M</b>																														
	<b>Sub-total</b>			25%			25%		20%																							

<sup>1</sup> Net of ₱40 Million payment to the PPP Center and excluding gains/losses from disposal of assets.

<sup>2</sup> Disposal excludes utilization by lease or joint venture. Proceeds from utilization will be included in the computation of Net Income.



	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.		2017	Actual	Rating	Score	Rating			
INTERNAL BUSINESS PORCESS	SO 4	Develop a Liquefied Natural Gas (LNG) Energy Hub										
	SM 6a	Development of PNOC Batangas Properties to an Energy Hub (Energy Supply Base)	Actual Accomplishment	10%	All or Nothing	Complete Phase 2 of the Transition Plan	Phase 2- Completed on 31 December 2017	10%	Completion of Phase 2 of the Transition Plan	10%	<ul style="list-style-type: none"> <li>• Certification dated 5 January 2018 executed Ms. Graciela M. Barleta, Head of ESB Transition Team.</li> <li>• Accomplishment Report on the Turnover and Transition of the Energy Supply Base dated 31 December 2017</li> <li>• Secretary's Certificate dated 29 January 2018 reflecting Resolution No. 2416, s.2017</li> <li>• Secretary's Certificate dated 24 February 2017 reflecting Resolution NO. 2-1, s.2017</li> </ul>	PNOC reported the completion of the Phase 2 on 31 December 2017
	SM 6b	Development of PNOC Batangas Properties to an Energy Hub (PNOC-RC Bauan Housing Property)	Signed Memorandum of Understanding (MOU) between PNOC and PNOC-RC	10%	All or Nothing	Signed MOU between PNOC and PNOC-RC	Signed MOU between PNOC and PNOC RC	10%	Signed MOU between PNOC and PNOC RC	10%	<ul style="list-style-type: none"> <li>• Memorandum of Understanding dated 7 April 2017.</li> </ul>	The MOU dated 7 April 2017 with one year validity from signing aims to explore the feasibility of establishing the proposed LNG facilities in Batangas using PNOC properties jointly with the Bauan Housing Property of PNOC RC thereby allowing access of the said properties for purposed of conducting the study.

6

	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.		2017	Actual	Rating	Score	Rating			
INTERNAL BUSINESS PORCESS	<b>SO 5 Maintain Efficient Management of Industrial Park</b>											
	SM 7	Additional area of the Industrial Park Leased-Out	Total additional area leased (in sqm.)	5%	Actual over Target	11,000 sqm	Lease Agreement signed between PNOC and Philippine Resins Industries, Inc. (PRII)	5%	11,000 sqm leased-out by PRII	5%	<ul style="list-style-type: none"> <li>Memorandum of Agreement dated 18 May 2017 between PNOC and PRII</li> </ul>	PNOC leased 11,000m <sup>2</sup> to Philippine Resins Industries, Inc. (PRII). Based on the MOA, PRII shall lease the land as staging area and site for temporary facilities of the main contractor during construction.
	SM 8	PNOC Industrial Park ISO Certification	Actual Accomplishment	5%	All or Nothing	Pass PNOC Industrial Park Surveillance Audit	Passed PNOC Industrial Park Surveillance Audit	5%	Passed PNOC Industrial Park Surveillance Audit	5%	<ul style="list-style-type: none"> <li>Attestation Certificate from AJA Registrars Inc.</li> </ul>	AJA attested to passing of the surveillance audit of the PNOC Industrial Park for ISO 9001:2015, 14001:2015, and the OHSAS 18001:2007
	<b>Sub-total</b>			<b>30%</b>				<b>30%</b>		<b>30%</b>		
LEARNING AND GROWTH	<b>SO 6 Develop, Implement and Maintain Efficient and Effective Systems</b>											
	SM 9	PNOC ISO Certification	Actual Accomplishment	10%	All or Nothing	ISO QMS 9001:2015 Certification	Secured Certification on ISO 9001:2015	10%	ISO QMS 9001:2015 Certification	10%	<ul style="list-style-type: none"> <li>Registration Certificate from AJA Registrars Inc.</li> </ul>	The certification was uploaded in the PNOC website.



	Component			Rating System	Target	GOCC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.		2017	Actual	Rating	Score	Rating			
LEARNING AND GROWTH	SO 7	Restructure the Organization to an Operating Energy Company that is Responsive to the Attainment of the Vision										
	SM 10	Percentage of Average Required Competencies Met	Actual Accomplishment	5%	All or Nothing	Submission of Board-Approved Competency Framework	Renegotiated to percentage of employees provided with development interventions	5%	No submission of Competency Framework	0%	• Draft Competency Framework under the proposed reorganization plan	Anticipating approval of its proposed Reorganization Plan, PNOC postponed the formulation of a Competency Framework under its existing organizational structure.
	SM 11	Implementation of the PNOC Restructuring Plan	Actual Accomplishment	5%	All or Nothing	Submission of Revised Board Approved Reorganization Plan	Submitted the Revised Board Approved Reorganization Plan to GCG	5%	Submitted the Revised Board Approved Reorganization Plan to GCG	5%	• GCG Acknowledgement Receipt on the Submission of the PNOC Board Approved Reorganization Plan	
	<b>Sub-total</b>			<b>20%</b>				<b>20%</b>		<b>15%</b>		
<b>TOTAL</b>			<b>100%</b>				<b>100% (100/100)</b>		<b>94.74% (90/95)</b>			

**PNOC Validated Score: 90.00% = 94.74%**  
**95.00%**