

PHILIPPINE NATIONAL OIL COMPANY (PNOC)

	Component				Baseline		Targets		
	Objective/Measure	Formula	Wt.	Rating System	2016	2017	2018	2019	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets							
	SM 1	Establishment of PNOC LNG Integrated Systems Project	Actual Accomplishment	10%	All or Nothing	N/A	Board-Approved PNOC Batangas LNG Hub Project Framework Study	Board-Approved Evaluation Criteria for Evaluating the Eligibility Requirements of the Proponents	Submission of Preliminary Feasibility Study to the PNOC Board
	Sub-total			10%					
STAKEHOLDER	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%	Very Satisfactory	Very Satisfactory	90% Satisfied Customers	90% Satisfied Customers ^{‡‡}
	Sub-total			10%					
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	₱ 246 M	₱ 289.37 M	₱ 269M	₱ 405.67M
	Sub-total			30%					

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

	Component				Baseline		Targets		
	Objective/Measure	Formula	Wt.	Rating System	2016	2017	2018	2019	
INTERNAL BUSINESS PROCESS	SO 4	Develop Liquefied Natural Gas (LNG) Projects							
	SO 5	Maintain Efficient Management of PNOOC Industrial Park							
	SM 4	Compliance to Integrated Management System (IMS) Standards	Actual Accomplishment	10%	All or Nothing	Integrated Management Systems (IMS) Certified	Passed PNOOC Industrial Park Surveillance Audit	Pass PNOOC Industrial Park Surveillance Audit	Re-Certification Audit of PNOOC Industrial Park
	SO 6	Optimize Asset Productivity							
	SM 5	Operation of Energy Supply Base	Actual Accomplishment	10%	All or Nothing	Lease Agreement between PNOOC and PNOOC-EC	Complete Phase 2 of the Transition Plan	Board-approved Minimum Performance Specifications Standards	Board-approved Detailed Feasibility Study on the ESB Master Plan
	SM 6	Contracting out of PAFC Industrial Park Assets	Actual Accomplishment	5%	All or Nothing	N/A	11,000 sqm leased-out by PRII	-	Board-approved Evaluation Report for the Issuance of the Certification of Conformance (COC) for PRII/MVC
	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	N/A	Gained ₱ 18.69 M	CEPZA and Antonio Luna – 100% Social Housing Project – 50%	5 Costa Verde Properties (through sale)
			Sub-total	30%					

	Component				Baseline		Targets		
	Objective/Measure	Formula	Wt.	Rating System	2016	2017	2018	2019	
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	Internal Quality Audit completed	ISO QMS 9001:2015 Certification	Pass PNO C QMS Surveillance Audit	Surveillance Audit Passed
	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	N/A	No Submission of Competency Framework	Establish Baseline	Increase from Established Baseline
	SO 9	Restructure the Organization to an Operating Energy Company that is Responsive to the Attainment of the Vision							
		Sub-total	20%						
		TOTAL	100%						