

**SUMMARY OF AGREEMENTS
PHILIPPINE NATIONAL OIL COMPANY
2016**

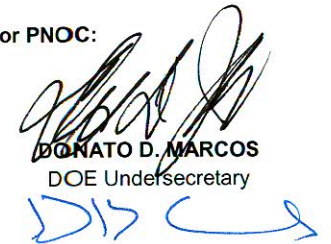
GOCC PROPOSAL	GCG Observation/Findings	AGREEMENT	Remarks
Charter Statement		Charter Statement	
Mission Statement		Mission Statement	
Through the efforts and initiative of a dedicated and competent workforce, PNOC is committed to: -Develop and Implement a gas distribution system in the country (Sec. 3, PD 334 as amended) -Establish the country's strategic petroleum reserve (Sec. 4a, PD 334 as amended)		Through the efforts and initiative of a dedicated and competent workforce, PNOC is committed to: -Develop and Implement a gas distribution system in the country (Sec. 3, PD 334 as amended) -Establish the country's strategic petroleum reserve (Sec. 4a, PD 334 as amended)	
Vision Statement		Vision Statement	
PNOC by 2030: to have provided vital energy infrastructure, conducive to a balanced and sustainable growth of the economy.		PNOC by 2030: to have provided vital energy infrastructure, conducive to a balanced and sustainable growth of the economy.	
Core Values		Core Values	
<p>Integrity (Mapagkakatiwalaan): Honest and transparent in dealing with stakeholders</p> <p>Professional Excellence (May mataas na kakayahan): Always seeking continuous improvement; aspiring for high work standards and achievements</p> <p>Accountable and results oriented (May pananagutan): Assuming responsibility for all actions</p> <p>Teamwork (May pagkaka-isa): United in purpose</p> <p>Service (Mapaglingkod): Puts the interest of the Filipino people above self</p>		<p>Integrity (Mapagkakatiwalaan): Honest and transparent in dealing with stakeholders</p> <p>Professional Excellence (May mataas na kakayahan): Always seeking continuous improvement; aspiring for high work standards and achievements</p> <p>Accountable and results oriented (May pananagutan): Assuming responsibility for all actions</p> <p>Teamwork (May pagkaka-isa): United in purpose</p> <p>Service (Mapaglingkod): Puts the interest of the Filipino people above self</p>	

For GCG:



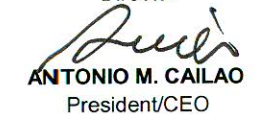
RAINIER B. BUTALID
Commissioner

For PNOC:



DONATO D. MARCOS
DOE Undersecretary

DANTE B. CANLAS
Director



ANTONIO M. CAILAO
President/CEO

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		Weight	Formula	Full Year 2016 Target	GCG COMMENTS/ RECOMMENDATIONS
STAKEHOLDERS	SO 1	Provided Vital Energy Infrastructure for the Development of the Energy Industry			
	SM 1	Establishment of the Country's Natural Gas Infrastructure			
		Batangas-Manila (BatMan) Gas Pipeline Project	10%	TRB - 30% SLEX - 35% STAR - 35%	MOU on the Final Alignment with Toll Regulatory Board (TRB), South Luzon Tollway Corp. (SLEX), and Southern Luzon Tollway Arterial Road (STAR)
			5%	80% - 1 90% - 2 100% - >2	Acquisition of at least two (2) complete As-Built Plans from LGUs/tollway operators/utilities
	10%	80% - 1 90% - 2 100% - >2	At least two (2) favorable endorsements from LGUs		
SM 2	Establishment of the Country's Strategic Petroleum Reserve (SPR)	5%	Pass or Fail	Final recommendation by the Board on the directions for SPR	
	Sub-total	30%			
STAKEHOLDERS	SO 2	Operated in an Environment of Fairness and Transparency in our Dealing with Stakeholders			
	SM 3	Stakeholder Satisfaction Rating	5%	90 and above = 100% 80 to 89 = 90% 70 to 79 = 80% 60 to 69 = 70% 59 and below = 0%; Scale for recommendation to third party surveyor	Satisfactory (90%) (DOE, CSC, House Committee on Appro., Senate LBRMO, DBM, COA, PNOC-EC, PNOC-RC, SC 38 Consortium, Chevron)
	Sub-total	5%			
FINANCE	SO 3	Ensure Sound Financial Condition			
	SM 4	Net Income (excluding all income or dividends received from operating subsidiaries and Banked Gas)	10%	Actual over target	P148.5 million
	SO 4	Ensure Optimal Use of Assets			
SM 5	Sale of Banked Gas	10%	Actual over target	Notice of Award (NOA) to winning bidder of at least 30% (29.1 Petajoules) of total remaining volume of 97 PJ	

			Weight	Formula	Full Year 2016 Target	GCG COMMENTS/ RECOMMENDATIONS	
			10%	Actual over target	Signed Gas Sales Purchase Agreement (GSPA) for winner bidder of at least 30% (29.1 Petajoules) of total volume of 97 PJ		
		Sub-total	30%				
INTERNAL BU	SO 5	Build Operating Company Capabilities					
	SM6	IMS Certification for PNOG Industrial Park	10%	Pass or fail	Favorable recommendation of external auditor to accredited 3rd party certifying body		
		Sub-total	10%				
LEARNING AND GROWTH	SO 6	Develop Full Employee Potential					
	SM7	% Implementation of the PNOG Restructuring Plan	10%	Pass or fail	Submission of the Board-approved Restructuring Plan		
	SM8	Average percentage of Required Competencies met	5%	Pass or fail	Execute agreement with consultant to do competency model		
	SO 7	Develop a Professional Culture and Better Employee Morale					
	SM9	ISO 9001:2015 Certification for PNOG	10%	Pass or Fail	ISO 9001:2015 Certified		
		Sub-total	25%				
	Total Weight		100%				

For GCG:



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Commissioner

For PNOG:



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DOE Undersecretary



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