

**PHILIPPINE NATIONAL OIL COMPANY (PNOC)**  
Validated 2018 Performance Scorecard

	Component			Rating System	Target	Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Formula	Wt.		2018	Actual	Rating	Score	Rating			
<b>SOCIAL IMPACT</b>	<b>SO 1 Contribute to Energy Security Targets</b>											
	SM 1	Establishment of PNOC LNG Project	Board-Approved Evaluation Criteria	15%	All or Nothing	Board-Approved Evaluation Criteria for Evaluating the Eligibility Requirements of the Proponents	Board-Approved Evaluation Criteria for Evaluating the Eligibility Requirements of the Proponents	15%	Board-Approved Evaluation Criteria for Evaluating the Eligibility Requirements of the Proponents	15%	<ul style="list-style-type: none"> <li>Secretary's Certificate certifying the Board Approval of the Criteria for the Evaluation of the Eligibility of the Offeror/ Proponent</li> </ul>	PNOC Board of approved the Evaluation Criteria through Board Resolution No. 2502-B, s.2018.
	<b>Sub-total</b>			<b>15%</b>				<b>15%</b>		<b>15%</b>		
<b>STAKEHOLDERS</b>	<b>SO 2 Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders</b>											
	SM 2	Percentage of Satisfied Customers	Satisfaction rating	15%	Actual over Target If less than 70% = 0%	90% Satisfied Customers (Using the Standard Methodology and Questionnaire developed by GCG)	84.10%	12.62%	84.09%	14.02%	<ul style="list-style-type: none"> <li>2018 PNOC Customer Satisfaction Survey Final Report</li> <li>Final Report Annexes</li> <li>5 accomplished questionnaires</li> </ul>	Variance in weight between the submitted and validated is due to treatment on the rating system (84.09/90 x weight)
	<b>Sub-total</b>			<b>15%</b>				<b>12.62%</b>		<b>14.02%</b>		



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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 4.2.2 in the GCG MC 2018-01	10%	Actual over Target	₱ 269 M	₱ 615.67 M	10%	₱ 613.32 M	10%	<ul style="list-style-type: none"> <li>Statement of Comprehensive Income for the period ended December 2018 (Pre-closing)</li> </ul>	Increase in PNOC's actual net income is attributable to decreased spending in its MOOE. Bulk of the unutilized MOOE pertains to the tie-in cost for the banked gas project amounting to ₱265 million.
	Sub-total			10%				10%		10%		
INTERNAL BUSINESS PROCESS	SO 4 Develop a Liquefied Natural Gas (LNG) Energy Hub											
	SO 5 Maintain Efficient Management of PNOC Industrial Park											
	SM 4	Compliance to Integrated Management System Standards	ISO Certificates Awarded	10%	All or Nothing	Pass PNOC Industrial Park Surveillance Audit	Passed the 2 <sup>nd</sup> Year Surveillance Audit	10%	Passed PNOC Industrial Park Surveillance Audit	10%	<ul style="list-style-type: none"> <li>Attestation Certificate issued by AJA Registrars Inc. dated 04 October 2018.</li> </ul>	The Certification covers the requirements of ISOs 9001:2015, 14001:2015 and 18001:2007.
SM 5	Percentage of water and jetty services provided to locators without complaints	No. of water and jetty services provided to locators without complaints Total no. of water and jetty services provided	10%	Actual over Target	100%	Supplied 100% of locators' requirements for water and jetty services for the year with no complaint received	10%	100%	10%	<ul style="list-style-type: none"> <li>Certifications dated 9 October 2018 and 15 January 2019 issued by Mr. Carlito B. Pena, Park OIC.</li> </ul>	PNOC Industrial Park did not receive any complaint from its locators regarding provision of the said services.	



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INTERNAL PROCESS	SM 6	Re-development of Energy Center	Board Approved Minimum Performance Specifications Standards	5%	Board Approved Minimum Performance Specifications Standards	5%	Board Approved Minimum Performance Specifications Standards	5%	Board Approved Minimum Performance Specifications Standards	5%	<ul style="list-style-type: none"> <li>Secretary's Certificate dated 9 October 2018.</li> </ul> PNOC Board, Resolution No. 2519, s.2018, approved the Minimum Performance Standards Specifications for the Iconic Tower Project.
	<b>SO 6</b>	<b>Optimize Asset Productivity</b>									
	SM 7	No. of Real Properties Leased Out	$\Sigma$ No. of properties leased out with rental rate higher than the appraised rental value	5%	All or Nothing	Expansion of Leased Area: PRII (6,000 sqm)  Long Term Lease: SMC Consolidated (6.6 has)	Expansion of Leased Area: PRII (5.6 hectares)  Long Term Lease: SMC Consolidated (6.6 has)	5%	Expansion of Leased Area: PRII (6,000 sqm)  Long Term Lease: SMC Consolidated (6.6 has)	5%	<ul style="list-style-type: none"> <li>Supplemental Memorandum of Agreement dated 24 April 2018</li> <li>Land Lease Agreement between SMC dated 15 May 2018.</li> </ul> Difference in leased area on PRII is due to a second supplemental memorandum of agreement covering 50,003.87 sqm which is not included in the GCG-approved target.
	SM 8a	Collection Efficiency from PNOC-DMC Assets	$\Sigma$ Lease payments collected Total Receivables from CEPZA and Antonio Luna	5%	Actual over Target	100%	86.96%	4.35%	86.95%	4.35%	<ul style="list-style-type: none"> <li>2018 Collection Efficiency Report</li> <li>Official Receipts of Lease Payments</li> </ul> Failure to achieve the target is due to failure to collect ₱2.68 Million lease payments from Mr. Antonio Luna.
	SM 8b		$\Sigma$ Lease payments collected Total Receivables PNOC-DMC Socialized Housing Projects	5%		50%	75%	5%	75%	5%	<ul style="list-style-type: none"> <li>2018 Collection Efficiency Report</li> <li>Official Receipts of Lease Payments</li> </ul> PNOC collected ₱18 Million out of the ₱24 Million total receivables due from LGU Rosario in 2018.
<b>Sub-total</b>			<b>40%</b>				<b>39.35%</b>		<b>39.35%</b>		



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LEARNING AND GROWTH	<b>SO 7 Develop, Implement and Maintain Efficient and Effective Systems</b>											
	SM 9	Compliance to Quality Standards	ISO 9001 Certificate Awarded	10%	All or Nothing	Pass Surveillance Audit	Passed 1 <sup>st</sup> Surveillance Audit	10%	Passed Surveillance Audit	10%	• Attestation Certificate dated 26 June 2018.	Validated with supporting documents.
	<b>SO 8 Acquire, Develop, Retain and Motivate Talents for Peak Performance</b>											
	SM 10	Percentage of employees with required competencies met	No. of Employees with required competencies met over Total employees	10%	All or Nothing	Establish Baseline	72.73%	10%	73.21%	10%	<ul style="list-style-type: none"> <li>• PNOC Competency Framework</li> <li>• PNOC Summary Baseline Person Profile</li> <li>• 2018 Individual Competency Assessment</li> </ul>	Variance from the submitted due to inclusion of one (1) employee with required competencies met.
	<b>SO 9 Restructure the Organization to an Operating Energy Company that is Responsive to the Attainment of the Vision</b>											
			<b>Sub-total</b>	<b>20%</b>				<b>20%</b>		<b>20%</b>		
			<b>TOTAL</b>	<b>100%</b>				<b>96.97%</b>		<b>98.37%</b>		