

PHILIPPINE NATIONAL OIL COMPANY (PNOC)

Component					Baseline			Targets		
	Objective/Measure	Formula	Wt.	Rating System	2016	2017	2018	2019	2020	
SOCIAL IMPACT	SO 1	<b>Contribute to Energy Security Targets</b>								
	SM 1	Petroleum Products Sourcing, Storage, and Distribution Project	Actual Accomplishment	10%	All or Nothing	N/A	N/A	N/A	N/A	Board-approved DFS on Petroleum Products Distribution
	<b>Sub-total</b>			<b>10%</b>						
STAKEHOLDER	SO 2	<b>Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders</b>								
	SM 2	Percentage of Satisfied Customers	No. of Satisfied Respondents over Total No. of Respondents	10%	Actual over Target If less than 80% = 0%	Very Satisfactory	Very Satisfactory	84.09%	90%	90% <sup>††</sup>
	<b>Sub-total</b>			<b>10%</b>						
FINANCE	SO 3	<b>Maintain a Sound Financial Condition</b>								
	SM 3	Net Income	Income from Operations Add/Deduct: ForEx Gains/Losses, Other Income, Income Tax and Unrealized Gains/Losses	30%	Actual over Target	₱ 246 M	₱ 289.37 M	₱ 613.32 M	₱ 405.67M	₱ 514.3 M
	<b>Sub-total</b>			<b>30%</b>						

<sup>††</sup> Customers to include PNOC lessees from its real estate properties, locators from the PNOC Industrial Park, and customers from the Energy Supply Base.

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INTERNAL BUSINESS PROCESS	SO 4	Develop Energy Infrastructure								
	SO 5	Maintain Efficient Management of PNOC's Energy Facilities								
	SM 4	Compliance to Integrated Management System (IMS) Standards (Industrial Park)	Actual Accomplishment	5%	All or Nothing	Integrated Management Systems (IMS) Certified	Passed PNOC Industrial Park Surveillance Audit	Passed PNOC Industrial Park Surveillance Audit	Re-Certification Audit of PNOC Industrial Park	Pass PNOC Industrial Park Surveillance Audit
	SM 5	Compliance to Quality Management Systems (QMS) Standards for ESB Operations (Systems and Procedures)	Actual Accomplishment	10%	All or Nothing	N/A	N/A	N/A	N/A	Pass Certification – ISO 9001:2015
	SO 6	Optimize Asset Productivity								
	SM 6	Operation of Energy Supply Base	Actual Accomplishment	5%	All or Nothing	Lease Agreement between PNOC and PNOC-EC	Complete Phase 2 of the Transition Plan	Board-approved Minimum Performance Specifications Standards	Board-approved Detailed Feasibility Study (DFS) on the ESB Master Plan	Board-approved Detailed Engineering Design (DED) for ESB Master Plan
	SM 7	ESB Warehouse Occupancy Rate	Actual Accomplishment	5%	Actual over Target	N/A	N/A	N/A	N/A	90%



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INTERNAL BUSINESS PROCESS	SM 8	Number of PDMC Assets Utilized/Disposed at a Gain	No. of PDMC Assets Utilized/Disposed at a Gain	5%	Actual over Target	N/A	Gained ₱ 18.69 M	86.95% collection efficiency on lease payments from CEPZA and Antonio Luna  75% collection efficiency on lease payments from Socialized Housing Project	Disposal through sale of 5 Costa Verde Properties	Disposal through sale of 5 additional Costa Verde Properties
	SM 9	Disposal of Banked Gas	Actual accomplishment	10%	All or Nothing	6.324 PJ	N/A	N/A	N/A -	Signed Gas Sales Purchase for at least 1 Petajoule
	<b>Sub-total</b>			<b>40%</b>						
	SO 7	<b>Develop, Implement and Maintain Efficient and Effective Systems</b>								
LEARNING AND GROWTH	SM 10	Compliance to Quality Standards	Actual Accomplishment	5%	All or Nothing	Internal Quality Audit completed	ISO QMS 9001:2015 Certification	Surveillance Audit Passed	Pass Surveillance Audit	Pass ISO 9001:2015 Recertification Audit
	SO 8	<b>Acquire, Develop, Retain and Motivate Talents for Peak Performance</b>								
	SM 11	Percentage of employees with required competencies met	Number of Employees with Required Competencies Met Total Number of Employees	5%	Actual over Target	N/A	No Submission of Competency Framework	73.21%	Increase from Established Baseline	80%
<b>Sub-total</b>			<b>10%</b>							
<b>TOTAL</b>			<b>100%</b>							