

DUTY FREE PHILIPPINES CORPORATION (DFPC)

	Component				Baseline Data			Target	
	Objective/Measure	Formula	Weight	Rating System	2014	2015	2016	2017	
SOCIAL IMPACT	SO 1	Showcase Premium Local Products to International Travelers							
	SM 1	Percentage of Local Products from Total Duty Free Sales	Sales from Local Products/ Total Sales	5%	Actual/Target x Weight	n/a	n/a	1%	2%
	SO 2	Generate Employment in Areas of Operation (New Jobs Due to Expansion)							
	SM 2	Jobs Generated	Absolute Number	5%	Actual/Target x Weight	n/a	n/a	n/a	100
			Sub-Total	10%					
FINANCIAL	SO 3	Achieve Continuous Growth and Sustainability							
	SM 3	Total Revenues	Absolute Amount	10%	Less than \$220 Million = 0% \$220 Million to \$230 Million = 5% \$231 Million to \$240 Million = 7% Above \$240 Million = 10%	\$229 Million	\$226 Million	\$218.23 Million	\$230 Million
	SM 4	EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)	Absolute Amount	10%	Less than P165.15 Million = 0% P166 Million to P220 Million = 5% P221 Million to P230 Million = 7% Above P230 Million = 10%	P263 Million	P200.328 Million	P165.15 Million	P220 Million

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	SO 4	Develop More Responsive Budget and Financial Reports							
	SM 5	Budget Utilization Rate (Excluding PS)	Percentage	5%	All or Nothing	-	-	85.00%	Not less than 90% but not more than 110%
			Sub-Total	25%					
CUSTOMERS	SO 5	Enhance the DFPC Brand as a Standard for Quality and Sustainable Shopping Experience							
	SM 6	Top of Mind Rating (Market Survey)	Market Survey	5%	All or Nothing	n/a	n/a	n/a	Establish Baseline
	SM 7	Overall Customer Satisfaction Survey (Top Box)	Customer Satisfaction Survey	7.50%	Actual/Target x Weight	28%	46%	57%	60%
		Availability of Promo Items		2.50%	Actual/Target x Weight	-	-	49%	52%
		Value for Money of Products		2.50%	Actual/Target x Weight	-	-	43%	50%
		Competitive Prices		2.50%	Actual/Target x Weight	-	-	42%	47%
	SO 6	Increase Market Penetration by Addressing Customer Needs and Expectations							
	SM 8	Market Penetration Rate	Pax Count over Total International Travelers	10%	Actual/Target x Weight	8%	8%	8%	10%
			Sub-Total	30%					
	INTERNAL PROCESS	SO 7	Create a Research-Based Marketing System and Enhance Marketing Strategies						
SM 9		Average Purchase per Customer	Absolute Amount	10%	5% - greater than \$140 3% - \$140 0% - less than \$140	\$ 137.90	\$ 133.02	\$ 125.94	\$140

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SO 8	Expand Merchandising Systems Aligned to Customers' Needs							
SM 10	Improve Business Model	Absolute Number	5%	All or Nothing	n/a	n/a	n/a	Submit to the appropriate body the Board approval determining the appropriate privatization mode based on the results of the feasibility study
SO 9	Enhance Quality Management System							
SM 11	ISO Certification	Actual Accomplishment	5%	All or Nothing	Certification of Manila Arrival Airport Store Operations	ISO 9001:2008 Certification All Sites All Processes	Maintain ISO 9001:2008 Certification	ISO Certification 9001:2015 on All Sites, All Processes
		Sub-Total	20%					

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LEARNING AND GROWTH	SO 10	Build a Team of Highly Motivated, Competent and Productive Employees							
	SM 12	Productivity Ratio	Cost of People ¹ / Gross Profit	5%	Actual/Target x Weight	24.8%	25.7%	24.5%	24%
	SM 13	Organization's Competency Level	Actual Accomplishment	5%	All or Nothing	n/a	n/a	Competency Framework and Table	Competency-Based Job Description for Unaffected Core Positions ²
	SO 11	Build a Corporate Culture that Embodies the Corporate Values							
	SM 14	Employee Satisfaction Survey	Actual Accomplishment	5%	All or Nothing	n/a	n/a	n/a	Establish Baseline
			Sub-Total	15%					
		TOTAL	100%						

¹ Includes Personnel Services (PS) Cost, Training Expenses and Expenses for Job Order Personnel

² Positions under Finance Division, Information Technology Division, Merchandising Division, Logistics Division and Store Operations Division based on DFPC organizational structure and discussion on Reorganization with DFPC on 24 July 2017