

(ANNEX B) PERFORMANCE SCORECARD 2018

PHILIPPINE NATIONAL OIL COMPANY (PNOC)

| | | Component | | | Baseline | | Target | |
|---------------|------------------|---|---|------------|---|-------------------|--|---|
| | | Objective/Measure | Formula | Wt. | Rating System | 2016 | 2017 | 2018 |
| SOCIAL IMPACT | SO 1 | Contribute to Energy Security Targets | | | | | | |
| | SM 1 | Establishment of PNOC LNG Integrated Systems Project | Board-approved Detailed Feasibility Study (DFS) | 15% | 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 |
| | Sub-total | | | 15% | | | | |
| STAKEHOLDER | SO 2 | Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders | | | | | | |
| | SM 2 | Percentage of Satisfied Customers | Average satisfaction rating | 15% | Actual over Target If less than 70% = 0% | Very Satisfactory | Very Satisfactory | 90% Satisfied Customers ^{§§} <i>(Using the Standard Methodology and Questionnaire developed by GCG)</i> |
| | Sub-total | | | 15% | | | | |
| 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 | ₱ 246 M | ₱ 258 M ^{†††} | ₱ 269M |
| | Sub-total | | | 10% | | | | |

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

*** "Amendments to the Interim Performance-Based Bonus (PBB)."

††† Net of ₱40 Million payment to the PPP Center and excluding gains/losses from disposal of assets.

| | Component | | | | Baseline | | Target | |
|---------------------------|-------------------|--|--|---------------|--------------------|--|---|---|
| | Objective/Measure | Formula | Wt. | Rating System | 2016 | 2017 | 2018 | |
| INTERNAL BUSINESS PROCESS | SO 4 | Develop Liquefied Natural Gas (LNG) Projects | | | | | | |
| | SO 5 | Maintain Efficient Management of PNO C Industrial Park | | | | | | |
| | SM 4 | Compliance to Integrated Management System Standards | ISO Certificates Awarded | 10% | All or Nothing | Integrated Management Systems (IMS) Certified (ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007) October 2016 | Pass PNO C Industrial Park Surveillance Audit | Pass PNO C Industrial Park Surveillance Audit |
| | SM 5 | Percentage of water and jetty services provided to locators without complaints | <u>No. of water and jetty services provided to locators without complaints</u> Total no. of water and jetty services provided | 10% | Actual over Target | N/A | N/A | 100% |
| | SM 6 | Re-development of Energy Center | Board Approved Minimum Performance Specifications Standards | 5% | All or Nothing | N/A | N/A | Board Approved Minimum Performance Specifications Standards |
| | SO 6 | Optimize Asset Productivity | | | | | | |
| | SM 7 | No. of Real Properties Leased Out | \sum No. of properties leased out with rental rate higher than the appraised rental value | 5% | All or Nothing | N/A | N/A | <i>Expansion of Leased Area:</i> PRII (6,000 sqm) <i>Long Term Lease:</i> SMC Consolidated (6.6 has) |

| | | Component | | | Baseline | | Target | |
|------------------------------|------------------|---|---|-------------|--------------------|----------------------------------|------------------------------------|-------------------------|
| | | Objective/Measure | Formula | Wt. | Rating System | 2016 | 2017 | 2018 |
| INTERNAL BUSINESS PROCESS | SM 8a | Collection Efficiency from PNO C-DMC Assets | $\frac{\sum \text{Lease payments collected}}{\text{Total Receivables from CEPZA and Antonio Luna}}$ | 5% | Actual over Target | N/A | N/A | 100% |
| | SM 8b | | $\frac{\sum \text{Lease payments collected}}{\text{Total Receivables PNO C-DMC Socialized Housing Projects}}$ | 5% | Actual over Target | N/A | N/A | 50% |
| | Sub-total | | | | 40% | | | |
| LEARNING AND GROWTH | SO 7 | Develop, Implement and Maintain Efficient and Effective Systems | | | | | | |
| | SM 9 | Compliance to Quality Standards | ISO 9001 Certificate Awarded | 10% | All or Nothing | Internal Quality Audit completed | ISO QMS 9001:2015 Certification | Pass Surveillance Audit |
| | SO 8 | Acquire, Develop, Retain and Motivate Talents for Peak Performance | | | | | | |
| | SM 10 | Percentage of Average Required Competencies Met | $\frac{\text{No. of Employees with Required Competencies Met}}{\text{Total Employees}}$ | 10% | All or Nothing | N/A | Submission of Competency Framework | Establish 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% | | | | |