

## PHILIPPINE NATIONAL OIL COMPANY (PNOC)

Component					Baseline			Recalibrated	Targets	
	Objective/Measure	Formula	Wt.	Rating System	2017	2018	2019	2020	2021	
SOCIAL IMPACT	SO 1	<b>Contribute to Energy Security Targets</b>								
	SM 1	Petroleum Products Sourcing, Storage, and Distribution Project	Actual Accomplishment	5%	All or Nothing	N/A	N/A	N/A	<i>Board-approved Targeted Fuel Relief Program Study</i>	Hiring of Detailed Feasibility Study (DFS) Consultant for the Strategic Petroleum Reserve (SPR) Project
	<b>Sub-total</b>			<b>5%</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% Satisfied Customers	90% Satisfied Customers	90% Satisfied Customers***
	<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	25%	Actual over Target	₱ 289.37 M	₱ 613.32 M	₱ 714.14 M	₱ 317 M	₱ 231.21 M
	<b>Sub-total</b>			<b>25%</b>						

\*\*\* 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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<b>SO 4</b>	<b>Develop Energy Infrastructure</b>								
<b>SO 5</b>	<b>Maintain Efficient Management of PNOC's Energy Facilities</b>								
SM 4	Compliance to Integrated Management System (IMS) Standards	Actual Accomplishment	10%	All or Nothing	Passed PNOC Industrial Park Surveillance Audit	Passed PNOC Industrial Park Surveillance Audit	Passed Re-Certification of PNOC Industrial Park	Pass PNOC Industrial Park Surveillance Audit	Pass 2 <sup>nd</sup> 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	Pass Certification – ISO 9001:2015	Pass 1 <sup>st</sup> Surveillance Audit
<b>Sub-total</b>		<b>20%</b>							
<b>SO 6</b>	<b>Optimize Asset Productivity</b>								
SM 6	<i>Operation of Energy Supply Base (ESB)</i>								
SM 6(a)	Energy Supply Base (ESB) Warehouse Occupancy Rate	Total No. of sqm. Occupied over 23,600 sqm available space	5%	Actual over Target	N/A	N/A	N/A	90% occupancy of the total 23,600 sqm	90% occupancy of the total 23,600 sqm
SM 6(b)	Maintain Efficiency on the Conduct of Security Evaluation on Foreign Vessels	Total No. of Declaration of Security (DOS) conducted within 24 hours from berthing over Total No. of Berthed Foreign Vessels	5%	Actual over Target	N/A	N/A	N/A	N/A	100% Conduct of Declaration of Security (DOS) within 24 hours after berth of foreign vessel at ESB Pier

INTERNAL BUSINESS PROCESS

Component					Baseline			Recalibrated	Targets	
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	INTERNAL BUSINESS PROCESS	SM 7	Improvement/Upgrade of ESB Facilities	Actual Accomplishment	5%	All or Nothing	N/A	N/A	Completed 31.45% of the target conduct of DFS on the ESB Masterplan	<i>Terms of Reference (TOR) for the use of ESB Facilities signed 30 minutes after preoperational meeting</i>
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 Additional Costa Verde Properties	Disposal through Sale of 5 Additional Costa Verde Properties
SM 9		Disposal of Banked Gas	Actual accomplishment	5%	All or Nothing	N/A	N/A	N/A	<i>Board-approved MOU/NDA with a Potential Buyer of Banked Gas</i>	Board-approved Term Sheet
<b>Sub-total</b>			<b>25%</b>							

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<b>LEARNING AND GROWTH</b>	<b>SO 7</b>	<b>Acquire, Develop, Retain and Motivate Talents for Peak Performance</b>								
	SM 10	Percentage of employees with required competencies met	Number of Employees with Required Competencies Met over Total Number of Employees	5%	All or Nothing	Submission of Board-approved Competency Framework	73.21%	97.87%	80% of total number of employees	Increase from 2020 Baseline
	<b>SO 8</b>	<b>Develop, Implement and Maintain Efficient and Effective Systems</b>								
	SM 11	Compliance to Quality Standards	Actual Accomplishment	10%	All or Nothing	ISO QMS 9001:2015 Certification	Passed 1 <sup>st</sup> Surveillance Audit	Passed 2 <sup>nd</sup> Surveillance Audit	Pass ISO 9001:2015 Recertification Audit	Pass 1 <sup>st</sup> Surveillance Audit
	<b>Sub-total</b>			<b>15%</b>						
<b>TOTAL</b>			<b>100%</b>							