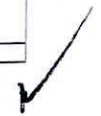


SUMMARY OF AGREEMENTS
PHILIPPINE PORTS AUTHORITY
2015



	TWG AGREEMENT							PAN AGREEMENT					Remarks		
	Component							Component							
	Weight	Rating Scale	Baseline			Target	Weight	Rating Scale	Full Year 2015 Target	2015 Target					
2012			2013	2014	2015										
SOCIAL IMPACT	SO 1	Contribute Significantly to Increased Trade and Tourism							SO 1	Contribute Significantly to Increased Trade and Tourism					
	SM 1	% Increase in cargo throughput (in million metric tons/annum) *	10%	Number	N/A	3.36% (200)	3.82% (207)	5.42% (219)	SM 1	% Increase in cargo throughput (in million metric tons/annum) *	10%	Number	TWG will establish quarterly targets		
		% change				3.36%	3.50%	5.80%							
	SM 2	% Increase in number of vessels (in thousand vessels) **	7.5%	Number	N/A	0.36% (347)	1.13% (350)	1.41% (356)	SM 2	% Increase in number of vessels (in thousand vessels) **	7.5%	Number	TWG will establish quarterly targets		
		% Change				0.36%	0.66%	1.71%							
	SM 3	% Increase in passengers (in million passengers)	7.5%	Number	N/A	5.60% (53)	6.02% (56)	7.14% (60)	SM 3	% Increase in passengers (in million passengers)	7.5%	Number	TWG will establish quarterly targets		
		% change				5.60%	5.66%	5.70%							
	SO 2	Enhance Accessibility Through Seamless Connectivity with Other Transport Modes							SO 2	Enhance Accessibility Through Seamless Connectivity with Other Transport Modes					
	SM 4	Increase in sites with transport connectivity enhanced through the provision of Ro-Ro ramp	10%	Number of Sites	N/A	138	138	147 (Balanacan, Marinduque, Bulalacao and Mansalay, Or. Mindoro; Esperanza, Masbate; Alegria, Akian; Maguionon-o, Samar; Jagna, Bonol; Dapa, Surigao del Norte; Palauan (Dapitan), Zamboanga del Norte)	SM 4	Increase in sites with transport connectivity enhanced through the provision of Ro-Ro ramp	7.5%	Number of Sites	150 (Balanacan, Marinduque, Bulalacao and Mansalay, Or. Mindoro; Esperanza, Masbate; Alegria, Akian; Maguionon-o, Samar; Jagna, Bonol; Dapa, Surigao del Norte; Palauan (Dapitan), Zamboanga del Norte.	Substitution of ports allowed	
		% change				N/A	0%	6.52%							

FINANCIAL	ISO 3	Become Financially Sufficient to Support Development Program						ISO 3	Become Financially Sufficient to Support Development Program					
	SM 5	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	10%	EBITDA (in billion pesos)	N/A	25.91% (6.636B)	-11.73% (5.856B) ***	0.07% (5.862B)	SM 5	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	10%	EBITDA (in billion pesos)	TWG to work out figures	Remove expenses for disasters
		% change				25.91%	-13.28%	0.07%						
	ISO 4	Maximize Benefits From its Privatization Scheme						ISO 4	Maximize Benefits From its Privatization Scheme					
	SM 6	% Reduction in Maintenance cost of Passenger Terminal Buildings (PTB)	7.5%	% Reduction from baseline	N/A	N/A	N/A	1% (Percent reduction from privatization of PTBs Naval, Maasin****, Baybay, Palompon, Jagna, San Carlos, Danao and Fort San Pedro where each port is awarded one percent each)	SM 6	Passenger Terminal Buildings completed for privatization	5.0%		Exact number of PTBs to be submitted by PPA	
	ISO 5	Contribute Significant Share in the National Coffers						ISO 5	Contribute Significant Share in the National Coffers					
SM 7	Remittance/Payment of Correct Dividend with Dividend Amount > P1.0 Billion*****	5%	50% Net Income for Dividend Payment	N/A	-24.51% (P1.001)	-29.97% (Pnp1.300)	-0.38% (Pnp1.296)	SM 7	Remittance/Payment of Correct Dividend with Dividend Amount > P1.0 Billion*****	5%	50% Net Income for Dividend Payment	P1.3 Billion		
	% change				-24.51%	29.87%	-0.31%							



SO 6 Optimize Stakeholder Satisfaction								SO 6 Optimize Stakeholders' Interests							
STAKEHOLDERS	SM 8	Attainment of Minimum Satisfactory Rating on the Port Users' Needs and Satisfaction Survey	5%	Refer to rating system used in the survey	N/A	N/A	N/A	Notice of Award to Service Provider	SM 8.1	Attainment of Minimum Satisfactory Rating on the Port Users' Needs and Satisfaction Survey	2.5%	Refer to rating system used in the survey	Establish baseline	DAP to be third party surveyor	
									SM 8.2	Secure PSHEMS Certification for major ports	5%		4 ports		
									SM 8.3	Secure PEMC Certification for major ports	5%		TWG will establish quarterly targets		
	SM 9	% of Issues Addressed at Port Management Advisory Council	5%	Percent addressed (No. of issues resolved/total issues x 100)	N/A	80%	80%	80%	SM 9	% of Issues Amicably Resolved at Port Management Advisory Council	5%	Percent addressed (No. of issues resolved/total issues x 100)	80%		
SO 7 Be Recognized For its International Best Practices on its Core Processes								SO 7 Be Recognized For its International Best Practices on its Core Processes							
SM 10	Number of major ports with container handling facilities and equipment	0%	Number of ports	N/A	5	5	5	SM 10	Number of major ports with container handling facilities and equipment	0%	Number of ports		TWG will establish quarterly targets		
SM 11	Increase in Berth Length (in meters)	5%	Refer to PPA Port Manual	N/A	+585.8 (44,495.8)	+601.22	+420	SM 11	Increase in Berth Length (in meters)	5%	Refer to PPA Port Manual		TWG will establish quarterly targets		
SM 12	Increase in Back up Area (in sq. m.)	5%	Refer to PPA Port Manual	N/A	+23,133.79 (1,653,762.79)	+28,023.47	+20,533.37	SM 12	Increase in Back up Area (in sq. m.)	5%	Refer to PPA Port Manual		TWG will establish quarterly targets		
SM 13	Increase in passenger capacity (no of seats)	2.5%	Refer to PPA Port Manual	N/A	+1,685 (24,148)	+1,220	+1,740	SM 13	Increase in passenger capacity (no of seats)		Refer to PPA Port Manual		Delete measure		
SM 14	No. Of Ports Established with Vessel Management Traffic System	5%		N/A	2 (North Harbor and Batangas)	2 (North Harbor and Batangas)	2 (Contracts awarded for the establishment of 4 VTMS in Roxas, Oriental Mindoro, Iloilo, Davao and Zamboanga)	SM 14	No. Of Ports Established with Vessel Management Traffic System	5%			TWG will establish quarterly targets		

INTERNAL PROCESS

SM 15	Number of ports with complete compliance with requirements for ISO Certification Quality Management System on Vessel Entrance and Clearance in Conformity with ISO 9001: 2000	5%	Percentage Compliance with Requirements	N/A	5 Ports (Batangas, Davao, General Santos, CDO, Zamboanga)	7 Ports (plus Iloilo and Ozamis)	9 Ports (plus Puerto Princesa and Legazpi)	SM 15	Number of ports with complete compliance with requirements for ISO Certification Quality Management System on Vessel Entrance and Clearance in Conformity with ISO 9001: 2000	5%	Percentage Compliance with Requirements	2	Not cumulative
SM 16	Percent Compliance with the requirements for certification on corporate services on Management, Administration and Supervision of Facilitation of Vessel Entrance and Clearance (VEC) Processes at the head office in conformity with ISO 9001:2008	2.5%	Percentage Compliance with Requirements	N/A	N/A	N/A	25% Compliance with the requirements as certified by the ISO Auditor	SM 16	Percent Compliance with the requirements for certification on corporate services on Management, Administration and Supervision of Facilitation of Vessel Entrance and Clearance (VEC) Processes at the head office in conformity with ISO 9001:2008	2.5%	Percentage Compliance with Requirements	100% Compliance on all Core Processes for PPA Head Office: Ready for Certification by 2015	
SO 8	Strengthen Regulatory Regime that will Promote Healthy Competition and Efficient Operations							SO 8	Strengthen Regulatory Regime that will Promote Healthy Competition and Efficient Operations				
SM 17	% Completion of policy proposal amending Guidelines in the Compendium of the Financial Commitment of Cargo Handling Operators (CHOs) from % revenue to fixed concession fees	2.5%	% Completion of Amended Compendium	N/A	N/A	N/A	100% Completed Policy Proposal Submitted to the PPA Board	SM 17	% Completion of policy proposal amending Guidelines in the Compendium of the Financial Commitment of Cargo Handling Operators (CHOs) from % revenue to fixed concession fees	2.5%	% Completion of Amended Compendium	TWG will establish quarterly targets	

LEARNING AND GROWTH	SO 9 Raise Employee Competence to Global Standards								SO 9 Raise Employee Competence to Global Standards							
	SM 18	Number of graduates on Modern Port Management Course duly accredited by international institutions (UNCTAD)	2.5%	Number of PPA Graduates	N/A	N/A	N/A	12	SM 18	Number of graduates on Modern Port Management Course duly accredited by international institutions (UNCTAD)	2.5%	Number of PPA Graduates	TWG will establish quarterly targets			
	SO 10 Nurture a Positive Work Environment								SO 10 Nurture a Positive Work Environment							
	SM 19	Minimum % of employees who have undergone wellness/work life balance programs per year	2.5%	%= No. of actual employee attendance to wellness and work life balance/total personnel x 100	N/A	94%	N/A	85%*****	SM 19	Minimum % of employees who have undergone wellness/work life balance programs per year	2.5%	%= No. of actual employee attendance to wellness and work life balance/total personnel x 100	TWG will establish quarterly targets			
Total Weight		100%						Total Weight		100.0%						

*B** The impact of the truck ban effective 02 March 2014 has been considered in this target

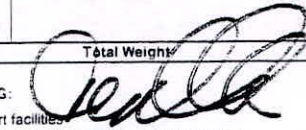
*** For CY 2014, Expenses PS/R/M & Other MOOE increased due to (a) implementation of the Approved RP and increased maintenance and repairs for port facilities

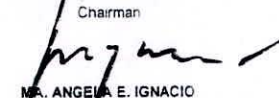
**** Projected cost does not include PTB Maasin since it is already being operated by a private company but was bid out upon termination of old contract

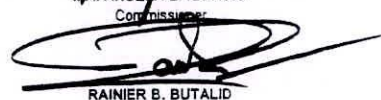
***** The target does not include revaluation of foreign loans due to currency movement which is difficult to project. For CY 2013 which is the basis for 2014 de revaluation resulted in gains due to a strong peso which reduced income tax payment and decreased dividend

***** PPA is undergoing rationalization and the new hires are expected to be undergoing job acclimation programs

For GCG:


CESAR L. VILLANUEVA
 Chairman


MA. ANGELA E. IGNACIO
 Commissioner


RAINIER B. BUTALID
 Commissioner

For PPA:

JUANITO G. BUCAYAN, JR.
 Chairman


JUAN C. STA. ANA
 Vice Chairman



**SUMMARY OF AGREEMENTS
PHILIPPINE PORTS AUTHORITY
REVISED 2015 AGREEMENT**




Indicator	Formula	Weight	2014	2015					Remarks	RENEGOTIATED 2015 TARGET	Remarks
				1st Sem Actual	Agreed	PPA Proposed	Variance	%			
MFO 1 : Port Development											
SM 1: % Increase in Cargo Throughput (In Million Metric Tons/Annum)	Absolute Number	10%	46.39	86.7	219	212	7	3%	The general slow-down in the global and domestic economy during the first half of the year has a direct negative impact on the number of vessels, volume of cargo and number of passengers passing through the ports. Attainment of the growth previously targeted appears to be no longer realistic.	212 MMT	Retain target. Actual achievement will be given pro-rated weight.
SM 5: Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) - In Billion Pesos	EBITDA (In Billion Pesos)	10%	2% (P5.8)	4.789	6.054	5.546	0.508	8%	PPA can at best deliver only Php5.2 billion because of higher spending programmed for dredging of waterways. There has been huge build up of silts that posed hazard to vessels in various navigational areas. PPA is now bidding out to procure service providers to dredge the heavily silted waterways in various ports. Higher spending on MOOE and Dredging at existing projected revenue level will not allow PPA to attain the original EBITDA target of Php6.054 billion.	5.2 Billion	
SM 13: Number of Ports Established with Vessel Traffic Management System (VTMS)	Number of ports with established VTMS	5%	2 (North Harbor and Batangas)	A total of Php500.0 million was transferred to Phil. International Trading Corp. (PITC) which will handle the procurement of the four (4) new VTMS facilities.	(Contracts awarded for the establishment of VTMS in Roxas, Oriental Mindoro, Iloilo, Davao and Zamboanga)	Deletion of Measure	N/A	N/A	The Philippine International Trading Corporation (PITC) which is procuring on behalf of PPA the VTMS for four (4) additional sites has incurred significant delays in the procurement process that it can no longer be successfully completed within the year.		Measure excluded.
GRAND TOTAL		25%									

For GCG:

CESAR L. VILLANUEVA
 Chairman

RAINIER B. BUTALID
 Commissioner

For PPA:

JUAN C. STA. ANA
 Vice Chairman and General Manager