

**PHILIPPINE NATIONAL OIL COMPANY
MONITORING REPORT OF CY 2017 TARGETS**

(As Prescribed by GCG incorporating agreement made on TWG Meeting on Oct. 25, 2017)

PERSPECTIVE	Component										
	Objective / Measure	Wt.	Rating System	Baseline		Target	3 rd Quarter		4th Quarter		
				2015	2016	2017	Target	Actual	Target	Actual	
SOCIAL IMPACT	SO 1	Contribute to Energy Security Targets									
	SM 1	Establishment of PNOC Batangas Liquefied Natural Gas (LNG) Hub Project	15%	All or Nothing	N/A	N/A	Board approved PNOC Batangas LNG Hub Project Framework Study		PNOC President has approved the PNOC Batangas LNG Hub Project Framework Study		
STAKEHOLDERS	SO 2	Establish a Comprehensive Relationship Management for Mutually Beneficial Linkages with Key Stakeholders									
	SM 2	Stakeholder Satisfaction Survey	10%	90 and above = 100% 80 to 89 = 90% 70 to 79 = 80% 60 to 69 = 70% 59 & below = 0%	Very Satisfactory	Very Satisfactory	Very Satisfactory		Engaged UPLBFI for the conduct of SSS for CY 2017		
FINANCE	SO 3	Maintain a Sound Financial Condition									
	SM 3	Net Income (excluding all income or dividends received from operating subsidiaries)	10%	Actual Net Income/ Target Net Income	P248.82 Million	P246 Million	P258 Million		P242.22 Million		
	SM 4	Gain from Lease of PNOC Assets	5%	Rental Rate \geq Appraised Rental Value \leq	N/A	N/A	Gain on Lease of 2 Properties		Leased 2 PNOC Properties		
FINANCE	SM 5	Gain from Disposal of Abolished Subsidiary Assets	10%	Sale > Net Book Value = 100% Sale \leq Net Book Value = 0%	N/A	N/A	Gain on Disposal (Disposal of 6 Real Properties, 3 Floating Assets & All Industrial Fuel Oil)		Gained on Disposal of Properties is > the Net Book Value		

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INTERNAL BUSINESS PROCESS	SO 4	Develop a Liquefied Natural Gas (LNG) Energy Hub									
	SM 6a	Development of PNOC Batangas Properties to an Energy Hub (Energy Supply Base)	10%	All or Nothing	N/A	Lease Agreement bet. PNOC and PNOC-EC	Board approved Transition Plan		Transition Plan approved by the PNOC Board		
	SM 6b	Development of PNOC Batangas Properties to an Energy Hub (PNOC-RC Bauan Housing Property)	10%	All or Nothing	N/A	N/A	Signed MOU bet PNOC and PNOC-RC		MOU was already signed by PNOC and PNOC RC		
	SO 5	Maintain Efficient Management of Industrial Park									
	SM 7	Additional Area of the Industrial Park Leased-Out	5%	Actual over Target	N/A	N/A	11,000 sqm		Lease Agreement is already signed by PNOC and PRII		
INTERNAL BUSINESS PROCESS	SM 8	PNOC Industrial Park ISO Certification	5%	All or Nothing	N/A	Integrated Management Systems (IMS) Certified (ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007) October 2016	Pass PNOC Industrial Park Surveillance Audi		Passed the PNOC Industrial Park Surveillance Audit		
ROWTH	SO 6	Develop, Implement and Maintain Efficient and Effective Systems									
	SM 9	PNOC ISO Certification	10%	All or Nothing	N/A	Internal Quality Audit completed	ISO QMS 9001:2015 Certification		Secured Certification on ISO 9001:2015		
	SO 7	Restructure the Organization to an Operating Energy Company that is Responsive to the Attainment of the Vision									

