



PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02 [Re-Issued]) between the –

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

PORO POINT MANAGEMENT CORPORATION (PPMC)

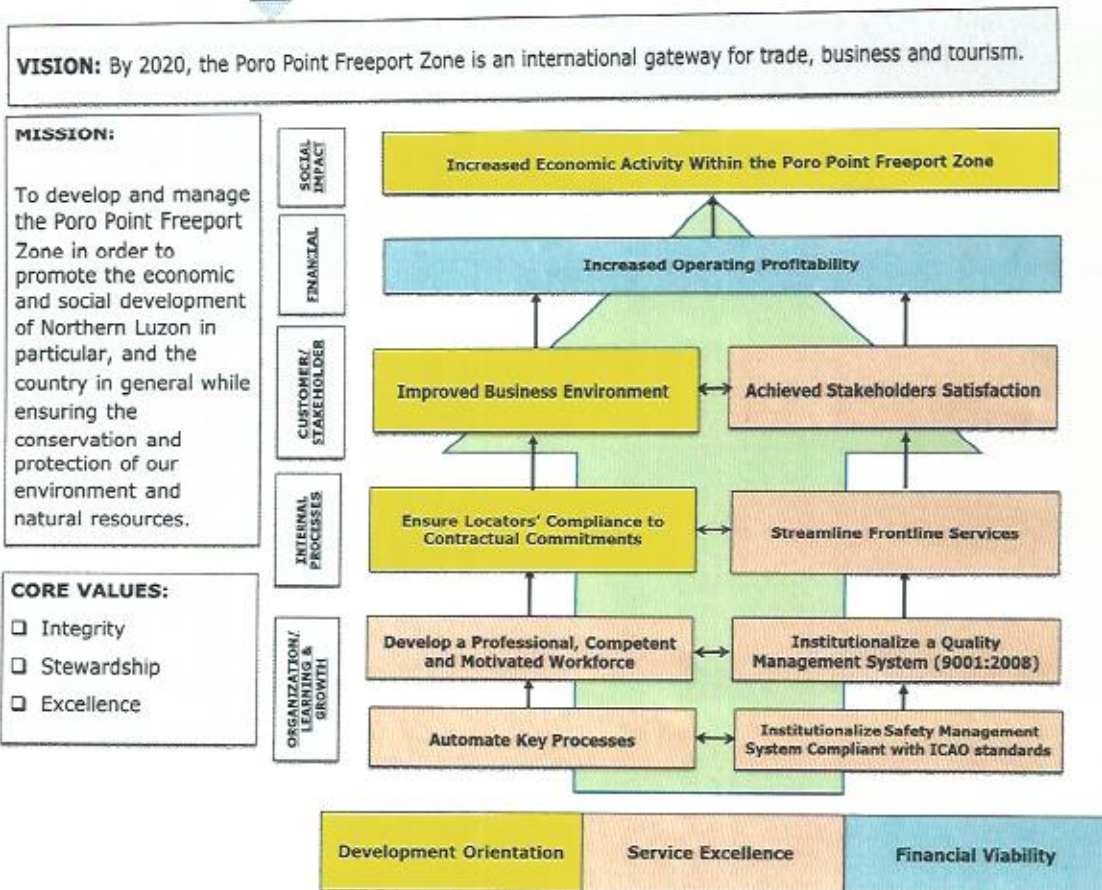
WITNESSETH: THAT –

The Parties agree to the following terms:

- Period.** – This Agreement shall be effective beginning from the execution of this Agreement and ending upon the determination by the Governance Commission of the eligibility of PPMC for the FY 2015 PBB and PBI.
- Charter Statement and Strategy Map.** – PPMC's Charter Statement and Strategy Map for the Period specified in Section 1 hereof, shall be as follows:



PPMC CHARTER STATEMENT AND STRATEGY MAP



3. Measurement of Performance. – Based on the 2015 Performance Scorecard attached hereto as **Annex A**, the PPMC's Performance for 2015 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

	COMPONENT	WEIGHT	RATING SCALE	2015 TARGET	
SOCIAL IMPACT	SO 1	Increased Economic Activity Within the Poro Point Freeport Zone			
	SM 1	Percent of new locators or projects signed meeting best use criteria (Investment, Employment and Lease Rate)	10%	Actual Number of Locators/Projects signed meeting the best-use criteria / Total Number of Locators/Projects signed for the year x 100 x Weight	100% See Attachment A
		Number of new locators or projects signed	0%		2 locators
	SM 2	Actual Investment in the Freeport Zone	10%	Actual Cumulative Investment of all locators inside the PPFZ as of December 31, 2015 / Total Target Investment x 100 x Weight	₱1,800 M
	SM 3	Percent of locators complied with employment commitment (includes existing)	5%	Actual Number of Locators complied with the above 110% employment commitment / Total Number of Locators with employment commitment x 100 x Weight	100% of the locators complied with above 110% employment commitment See Attachment B
		Sub-total	25%		
FINANCIAL	SO 2	Increased Operating Profitability			
	SM 4	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Margin	10%	Actual EBITDA (Management Fee + Miscellaneous Income) minus (Personal Services + MOOE excluding interest, taxes, depreciation, amortization) over (Management Fee + Miscellaneous Income) / Target EBITDA x 100 x Weight	6%
	SM 5	Actual Zone Revenue	5%	Actual Zone Revenue for the year / Target Zone Revenue x 100 x Weight	₱76 M
	SM 6	Zone Revenue Collection Efficiency	5%	Actual Collection/Total Zone Revenue for the year x 100 x Weight	97%
		Sub-total	20%		
STAKEHOLDERS	SO 3	Improved Business Environment			
	SM 7	Access to ICT infrastructure (telecom, internet); provide redundancy	5%	1 additional telecom provider	1 additional telecom provider
	SM 8	Percent of locators with access to alternative sources of water aside from deep wells	5%	Actual Number of Locators with access to alternative sources of water aside from deep wells	25% (3/12)
	SO 4	Achieved Stakeholders Satisfaction			
	SM 9	Stakeholders Satisfaction Rating based on a survey conducted by a third party	10%	Average of the Ratings of all Stakeholders Respondents	3 on a 5-point scale
	Sub-total	20%			

		COMPONENT	WEIGHT	RATING SCALE	2015 TARGET
INTERNAL PROCESS	SO 5	Streamline Frontline Services			
	SM 10	Turn Around Time for Business Registration and Renewal of Permit to Operate and Registration Certificates from Receipt of Complete Requirements	5%	A. Actual No. of New Business Registrants processed within the applicable period / Total No. of New Business Registrants x Weight	a. Start-up Business Registration=19 days
			5%	B. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Registration Certificates x Weight	b. Renewal of Registration Certificates = 8 days
			5%	C. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Permit to Operate x Weight	c. Renewal of Permit to Operate = 4 days
	Sub-total	15%			
LEARNING AND GROWTH	SO 6	Institutionalize a Quality Management System (9001:2008)			
	SM 11	ISO Certification from a Certifying Body	5%	Notice from third party Certifying Body that PPMC passed the Surveillance Audit	Passed Re-Surveillance Audit
	SO 7	Institutionalize Safety Management System compliant with International Civil Aviation Organization Standards			
	SM 12	Obtain Aerodrome Certification	5%		Certification from CAAP
	SO 8	Develop a Professional, Competent and Motivated Workforce			
	SM 13	Training of Aerodrome personnel to achieve certification	5%	Actual Number of Aerodrome personnel who passed the training / Number of Aerodrome personnel required to undergo training	Passed the training
	SO 9	Automate Key Processes			
SM 14	Creation of IT-Based system for key processes	5%	The automated Document Tracking System is established and in place.	Automation of Document Tracking System	
	Sub-total	20%			
	TOTAL	100%			

It is understood that the GOCC must achieve a weighted-average of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Strategic Initiatives.** – PPMC hereby commits to undertaking the following key programs and/or projects identified as having a significant impact on its Performance Scorecard (PES Form 2) attached hereto as **Annex B**, to wit:
- (a) Strategic Initiative 1 – Sillag Poro Point Festival of Lights;
 - (b) Strategic Initiative 2 – Disposition of the remaining leasable areas of the 3-hectare Mixed-Use Commercial Area (for retail);
 - (c) Strategic Initiative 3 – Aerodrome Certification;
 - (d) Strategic Initiative 4 – Development of Cliff-Walk Area;
 - (e) Strategic Initiative 5 – Resolution of the land issues inside Wallace Property, Airport and Seaport; and
 - (f) Strategic Initiative 6- Creation of a Utility Company.

The Commitment herein includes obtaining all necessary approvals, if applicable, such as those for Major Development Projects under GCG MC No. 2013-03. PPMC shall include updates on the foregoing Strategic Initiatives in its submission of quarterly monitoring reports to the GCG.

5. **Quarterly Submission of Performance Monitoring.** – PPMC shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex C**.

6. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02 (Re-Issued), GCG MC No. 2014-02, and GCG MC No. 2014-03 namely:
 - 6.1. *Conditions Common to National Government Agencies and GOCCs:*
 - (a) Transparency Seal;
 - (b) PhilGEPS Posting;
 - (c) Cash Advance Liquidation;
 - (d) Citizen's Charter or its equivalent; and
 - (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Networth (SALN);

 - 6.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*
 - (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
 - (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
 - (c) Adoption of a "*Manual of Corporate Governance*" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
 - (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
 - (e) Adoption of a **NO GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
 - (f) Compliance with the deadlines and submission of reports through the Integrated Corporate Reporting System (ICRS) pursuant to GCG MC No. 2014-02.
 - (g) Compliance by all members of the Governing Board with the submission of all required forms for the Director Performance Review (DPR) pursuant to GCG MC. No. 2014-03 and implementing issuances pursuant thereto.

(h) Submission of Corporate Operating Budgets (COBs):

- i. For GOCCs receiving national government budgetary support, COBs shall be submitted to the Department of Budget and Management (DBM) for review and approval on or before the deadline indicated in DBM National Budget Memorandum No. 120 on "Budget Call for FY 2015;"
 - ii. For GOCCs without national government budgetary support, COBs shall be submitted to the Governance Commission using the same deadline as provided in DBM National Budget Memorandum No. 120.
7. PPMC hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. PPMC shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in PPMC's Performance Scorecard, and shall be used solely as a reference by GCG and PPMC during Performance Agreement Negotiations/Renegotiations.
8. PPMC shall timely inform GCG of all audit observations and notices of disallowances within seven (7) working days from the time it receives the same from the Commission on Audit (COA) prior to the regular publication of the final annual audit report. Accordingly, PPMC shall copy furnish the Governance Commission copies of all written communications between PPMC and COA on such matters, inform GCG of the schedule of its exit interview with COA seven (7) working days before the schedule or as soon as practicable, and other efficient means of inter-agency coordination.
- Failure to timely disclose such matters to the Governance Commission prior to the same becoming public information or the submission of the application for the Performance-Based Bonus (PBB) or Performance-Based Incentive (PBI) may be considered as non-compliance with the Good Governance Condition of submitting Concrete and Time Bound Action Plans on findings of COA, rendering the Governing Board **INELIGIBLE** to apply for the PBI, without prejudice to a further determination on the impact of the same on the GOCC's PBB application.
9. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 01st day of December 2014, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

BY AUTHORITY OF THE COMMISSION:


CESAR L. VILLANUEVA
Chairman

**PORO POINT MANAGEMENT
CORPORATION**


IVES Q. NISCE
Chairman


MA ANGELA E. IGNACIO
Commissioner


RAINIER B. BUTALID
Commissioner


FLORANTE S. GERDAN
President and CEO


VLADIMIR S. RODRIGUEZ
Board Member


JORGE L. BANAL
Board Member


ELMER NA CADANO
Board Member


LOUIS FUNA-AY CLAVER, JR.
Board Member


CELIA V. GUZMAN
Board Member


NICOLAS R. TABORA
Board Member


MITCHEL VERZOSA
Board Member




MANOLITO S. HIDALGO
Board Member

PORO POINT MANAGEMENT CORPORATION

Component						Baseline Data (if applicable)		Target	
	Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015	
SOCIAL IMPACT	SO 1	Increased Economic Activity Within the Poro Point Freeport Zone							
	SM 1	Percent of new locators or projects signed meeting best use criteria (Investment, Employment and Lease Rate)	Actual Number of Locators/Projects signed meeting the best-use criteria / Total Number of Locators/Projects signed for the year x 100 x Weight	10%	Actual Increase / Target Increase x Weight		100%	100%	100% See Attachment A
		Number of new locators or projects signed		0%					2 locators
	SM 2	Actual Investment in the Freeport Zone	Actual Cumulative Investment of all locators inside the PPFZ as of December 31, 2015 / Total Target Investment x 100 x Weight	10%	(Actual Increase / Target Increase) x Weight		₱1,593 M	₱1,680 M	₱1,800 M
	SM 3	Percent of locators complied with employment commitment (includes existing)	Actual Number of Locators complied with the above 110% employment commitment / Total Number of Locators with employment commitment x 100 x Weight	5%	Actual / Target x Weight		100%	100%	Above 110% of the locators' commitment level See Attachment B
	Sub-total			25%					

		Component				Baseline Data (if applicable)		Target	
	Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015	
FINANCIAL	SO 2	Increased Operating Profitability							
	SM 4	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Margin	Actual EBITDA (Management Fee + Miscellaneous Income) minus (Personal Services + MOOE excluding interest, taxes, depreciation, amortization) over (Management Fee + Miscellaneous Income) / Target EBITDA x 100 x Weight	10%	Actual / Target x Weight		4%	14%	6%
	SM 5	Actual Zone Revenue	Actual Zone Revenue for the year / Target Zone Revenue x 100 x Weight	5%	Actual / Target x Weight		₱68.6 M	₱72.1 M	₱76 Mn
	SM 6	Zone Revenue Collection Efficiency	Actual Collection/Total Zone Revenue for the year x 100 x Weight	5%	Actual / Target x Weight		96.89%	95%	97%
		<i>Sub-total</i>		20%					
STAKEHOLDERS	SO 3	Improved Business Environment							
	SM 7	Access to ICT infrastructure (telecom, internet); provide redundancy	1 additional telecom provider	5%	All or nothing			1 telecom provider	1 additional telecom provider
	SM 8	Percent of locators with access to alternative sources of water aside from deepwells	Actual Number of Locators with access to alternative sources of water aside from deepwells	5%	3/12 - 5% 2/12 - 3% 1/12 - 1% 0/12 - 0%		0%	0%	25% (3/12)

Component						Baseline Data (if applicable)		Target	
	Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015	
	SO 4	Achieved Stakeholders Satisfaction							
	SM 9	Stakeholders Satisfaction Rating based on a survey conducted by a third party	Average of the Ratings of all Stakeholders Repondents	10%	3 on a 5-point scale - 10% 2.75 on a 5-point scale - 7.5% 2.5 on a 5-point scale - 5% 2 below - 0%		n/a	n/a	3 on a 5-point scale
	<i>Sub-total</i>			20%					
INTERNAL PROCESS	SO 5	Streamline Frontline Services							
	SM 10	Turn Around Time for Business Registration and Renewal of Permit to Operate and Registration Certificates from Receipt of Complete Requirements	A. Actual No. of New Business Registrants processed within the applicable period / Total No. of New Business Registrants x 100 x Weight	5%	A. Actual No. of New Business Registrants processed within the applicable period / Total No. of New Business Registrants x Weight				a. Start-up Business Registration=19 days

Component						Baseline Data (if applicable)		Target
	Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015
		B. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Registration Certificates x 100 x Weight	5%	B. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Registration Certificates x Weight				b. Renewal of Registration Certificates = 8 days
		C. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Permit to Operate x 100 x Weight	5%	C. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Permit to Operate x Weight				c. Renewal of Permit to Operate = 4 days
		Sub-total	15%					

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Component						Baseline Data (if applicable)		Target	
	Objective/Measure	Formula	Weight	Rating System	Data Provider	2013	2014	2015	
LEARNING AND GROWTH	SO 6	Institutionalize a Quality Management System (9001:2008)							
	SM 11	ISO Certification from a Certifying Body	Notice from third party Certifying Body that PPMC passed the Surveillance Audit	5%	All or nothing			ISO 9001:2008 Certified	Passed Re-Surveillance Audit
	SO 7	Institutionalize Safety Management System compliant with International Civil Aviation Organization Standards							
	SM 12	Obtain Aerodrome Certification	Certification from CAAP	5%	All or nothing			Manualization of Airport Processes approved by the Board	Certification from CAAP
	SO 8	Develop a Professional, Competent and Motivated Workforce							
	SM 13	Training of Aerodrome personnel to achieve certification	Actual Number of Aerodrome personnel who passed the training / Number of Aerodrome personnel required to undergo training	5%	Actual / Target x Weight				Passed the training
	SO 9	Automate Key Processes							
	SM 14	Creation of IT-Based system for key processes	The automated Document Tracking System is established and in place.	5%	All or nothing				Automation of Document Tracking System
			Sub-total		20%				
			TOTAL		100%				

PORO POINT MANAGEMENT CORPORATION

List of Existing Locators with Employment Commitment

STRATEGIC MEASURE 3	RATING SCALE	NAME OF LESSEE	EMPLOYMENT CONDITIONALITIES	TARGET
Percent of Locators complied with employment commitment (includes existing)	Actual Number of Locators complied with the above 110% employment commitment / Total Number of Locators with employment commitment	1. Poro Point Industrial Corporation (PPIC)	at least 60% from Region 1	above 66%
		2. Thunderbird Pilipinas Hotels and Resorts, Inc. (TPHRI)	at least 85% fom City of San Fernando and Province of La Union	above 93.5%
		3. Poro Point Marine Enterprises Corporation (PMEC)	at least 85% fom City of San Fernando and Province of La Union	above 93.5%
		4. QB Systems Asia, Inc.	at least 85% fom City of San Fernando and Province of La Union	above 93.5%
		5. ZOOP 3S	at least 50% fom City of San Fernando and Province of La Union	above 55%

PORO POINT MANAGEMENT CORPORATION

Lease Rate, Employment and Investment Commitment for 2015

STRATEGIC MEASURE 1	CRITERIA	PPMC	Proposed Targets (for Big Ticket Projects)
Percent of old and new locators or projects signed meeting the best use criteria (Investment, Employment and Lease Rate)	Lease Rate	The minimum requirement is that the lease rate should at least be the fair rental value of the area based on a third-party appraisal conducted on the area.	The minimum requirement is that the lease rate should at least be the fair rental value of the area based on a third-party appraisal conducted on the area.
	Investment	The minimum required investment of US\$250,000.00 in order to avail of the tax incentives.	US\$5,000,000.00
	Employment	The employment commitment to be required from locators depending on the nature of the business	<p>a. BPO Projects - 100 employees per PhP100,000,000.00 of investment (number of seats for BPO can be derived based on the floor area of a building and based on industry practice)</p> <p>b. For Tourism-Related Projects and Mixed-Use Commercial Projects - PPMC proposes that the employment commitment be provided to GCG upon signing of the Contract of Lease with the locators since for tourism-related or mixed-used commercial projects, the employment depends on the type of developments in terms of facilities or structures to be introduced by the locator (e.g., hotel/accommodation/condotel, restaurants, conventions centers, golf courses, retail shops, entertainment center).</p>

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PORO POINT MANAGEMENT CORPORATION

STRATEGIC INITIATIVES PROFILE

I. STRATEGIC INITIATIVE PROFILE I

1. Name of Project: Sillag Poro Point Festival of Lights

2. Contact Person/Project Team Head:

Lead: PCEO Florante S. Gerdan

3. Project Description:

A distinct historical landmark in the Poro Point Freeport Zone, City of San Fernando, La Union, is a lighthouse called the Poro Point Lighthouse. It serves as a beacon for ships and boats plying the sea at night. Similarly, the PPFZ is envisioned as the Beacon of the North by catalyzing the socio-economic development in Northern Luzon. PPMC set its sight on the promotion of the 6-hectare Poro Point Lighthouse as an integral component of the tourism development inside the PPFZ.

With the Poro Point Lighthouse as the perfect symbolism of the PPFZ, PPMC launched an annual summer festival dubbed as SILLAG Poro Point Festival of Lights on April 28, 2012. The SILLAG Festival was conceptualized with an end view of promoting not only the PPFZ but as well as the City of San Fernando, La Union and the whole Province of La Union. SILLAG is a derivative of "sellag," an ilocano word which means moonbeam or illumination from the moon.

The SILLAG Festival aims to promote the 6-hectare lighthouse property as a vital component of an Integrated Tourism Complex and to attract domestic and foreign tourists to create a mass market to encourage business and commerce in the Poro Point Freeport Zone, City of San Fernando, La Union and the rest of the Province of La Union.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Preparation of Programs, Detailed Plans of Action, Responsibilities, Partner Agencies, Timelines and Budget/Resource Requirements	November 2014	February 2015	P2,000,000.00 (proposed budget)	PPMC Corporate Operating Budget	
2. Formation of Committees	November 2014	January 2015			
3. Conduct planning	November 2014	March 2015			

sessions (within PPMC and with partner agencies)					
4. Implement preparatory activities per action plan	November 2014	March 2015			
Total			₱2,000,000.00		

5. Measures Affected:

- Actual area of land leased-out;
- Earnings before interest, taxes, depreciation and amortization (EBITDA) margin;
- Supervisory fee;
- Implementation of corporate social responsibility
- Stakeholders' satisfaction rating.

II. STRATEGIC INITIATIVE PROFILE II

1. Name of Project: Disposition of the remaining leasable areas of the 3-hectare Mixed-Use Commercial Area (for retail)

2. Contact Person/Project Team Head:

Lead: PCEO Florante S. Gerdan

3. Project Description:

PPMC has identified an area of three (3) hectares inside the PPFZ as Mixed-Use Commercial Area (for retail), which can cater to Information Technology (IT)-Business Process Outsourcing (BPO) Industry and to other commercial-related industries and establishments.

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Marketing and Invitation of private sector participation	Continuing (Jan-Dec. 2015)	Continuing (Jan-Dec. 2015)	Marketing & Promotion Budget	PPMC Corporate Operating Budget	
Total					

5. Measures Affected:

- Actual area of land leased-out;
- Earnings before interest, taxes, depreciation and amortization (EBITDA) margin;
- Supervisory fee

III. STRATEGIC INITIATIVE PROFILE III

1. **Name of Project:** Aerodrome Certification

2. **Contact Person/Project Team Head:**

Lead: PCEO Florante S. Gerdan

3. **Project Description:**

Aerodrome Certification is in compliance with the provisions of Administrative Order 139 on the required certification of aerodromes using aircraft with more than thirty (30)-passengers seat. The San Fernando Airport applied for Aerodrome Certification with the Civil Aviation Authority of the Philippines (CAAP) and the first audit was conducted on August 13-17, 2012. Audit was undertaken in accordance with the requirements of the aerodrome and Air Navigation Safety Oversight Office of CAAP which establishes various processes and procedures required to be undertaken by different organizations and persons in order to satisfy the needs of ensuring that aviation practices within the Republic of the Philippines are maintained in accordance with the requirements of the CAAP. Audit Findings indicate corrective actions and entails cost.

4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Update the San Fernando Airport Aerodrome Manual	January 2015	March 2015		PPMC Corporate Operating Budget	
2. Fourth submission of Aerodrome Manual to CAAP – AANSOO and further clarification	April 2015	June 2015			
3. Modification of findings for Aerodrome Manual 4 th submission	June 2015	August 2015			
4. AEPP Partial Exercise pursuant to Sec. 10.7.1.4 MOS	October 2015	November 2015			
Total					

5. **Measures Affected:**

- Actual area of land leased-out;
- Stakeholders' satisfaction;
- Actual number of aircraft movement;
- Maintain current status as community airport

IV. STRATEGIC INITIATIVE PROFILE IV

1. **Name of Project:** Development of Cliff-walk Area

2. **Contact Person/Project Team Head:**

Lead: PCEO Florante S. Gerdan

3. **Project Description:**

Construction of Cliff-walk area around the tip of the Poro Point Peninsula.

4. **Project Milestones:**

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Preparation of Concept plan for the Cliff-walk development	3 rd quarter 2014	3 rd quarter 2014	N/A	N/A	Ongoing
1. Conduct site inspection of the area and conduct topographic survey for elevations and survey for distances.	3 rd quarter 2014	3 rd quarter 2014	Php40,000.00	BCDA/PPMC	
3. Coordination with affected areas such as Philippine Air Force area (PAF-DND), Lighthouse (Coastguard), Voice of America (BBG)	3 rd quarter 2014	3 rd quarter 2014	N/A	N/A	
4. Preparation of Detailed Cost Estimates	3 rd quarter 2014	3 rd quarter 2014	N/A	N/A	
5. Request for Funding	4 th quarter 2014	4 th quarter 2014	N/A	BCDA	
6. Conduct of Public Bidding (upon approval of project fund by BCDA)	1 st quarter 2015	1 st quarter 2015	N/A	BCDA	
7. Project Implementation	2 nd quarter 2015	2 nd quarter 2015	To be determined	BCDA	
Total					

5. **Measures Affected:**

- Actual area of land leased-out;
- Earnings before interest, taxes, depreciation and amortization (EBITDA) margin;
- Supervisory fee

V. STRATEGIC INITIATIVE PROFILE V

1. Name of Project: Creation of a Utility Company

2. Contact Person/Project Team Head:

Lead: PCEO Florante S. Gerdan

3. Project Description:

Poro Point Management Corporation aims to create a Utility Company which will manage the utilities such as power, water and telecommunications within the Poro Point Freeport Zone (PPFZ).

4. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Study/Research on the establishment/creation of a subsidiary or a PPMC department/office to manage utilities inside the PPFZ.	3 rd quarter 2014	4 th quarter 2014	N/A	N/A	
2. Preparation of Programs/Detailed Plans of Action, Timelines and Budget/Funding Requirements (if any) for the creation of a Utility Company (either subsidiary or a PPMC department/office) to manage, power, water and telecommunications inside the PPFZ.	4 th quarter 2014	1 st quarter 2015	N/A	N/A	
Total					

5. Measures Affected:

- Actual area of land leased-out;
- Earnings before interest, taxes, depreciation and amortization (EBITDA) margin;
- Supervisory fee
- Stakeholders' satisfaction rating

VI. STRATEGIC INITIATIVE PROFILE VI

6. Name of Project: Resolution of legal issues with Poro Point Industrial Corporation (PPIC)*

7. Contact Person/Project Team Head:

Lead: PCEO Florante S. Gerdan

8. Project Description:

Resolution/Settlement of legal issues with Poro Point Industrial Corporation (PPIC)

9. Project Milestones:

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
1. Top Management Negotiation	2013 (continuing)	2015	N/A	N/A	Ongoing
Total					

10. Measures Affected:

- Actual area of land leased-out;
- Earnings before interest, taxes, depreciation and amortization (EBITDA) margin;
- Supervisory fee
- Stakeholders' satisfaction rating

***Note:**

1. If the legal issues with PPIC will not be resolved in 2014
2. The resolution of legal issues with PPIC is a joint effort of Bases Conversion and Development Authority (BCDA) and Poro Point Management Corporation (PPMC).

PORO POINT MANAGEMENT CORPORATION
MONITORING REPORT OF PERFORMANCE TARGETS

Component				Baseline	2015								
Objective/Measure	Formula	Weight	2014	1st Quarter		2nd Quarter		Revised Full Year Target	3rd Quarter		4th Quarter		
				Target	Actual	Target	Actual		Target	Actual	Target	Actual	
S0 1 Increased Economic Activity Within the Poro Point Freeport Zone													
SOCIAL IMPACT	SM 1	Percent of new locators or projects signed meeting best use criteria (Investment, Employment and Lease Rate)	Actual Number of Locators/Projects signed meeting the best-use criteria / Total Number of Locators/Projects signed for the year x 100 x Weight	10%	100%	Bidding for the Long-Term Lease and Development of the Poro Point Lighthouse		Contract of Lease with new locator of the Poro Point Lighthouse signed with specific commitment on investment, employment and lease rate			Process application of prospective IT-BPO locator/s.		Contract of Lease with new locator for IT-BPO signed with specific commitment on investment, employment and lease rate
		Number of new locators or projects signed		0%									
	SM 2	Actual Investment in the Freeport Zone	Actual Cumulative Investment of all locators inside the PPFZ as of December 31, 2015 / Total Target Investment x 100 x Weight	10%	₱1,680 M	PhP1.704 B		₱1.736 B			₱1.768 B		₱1.800 B

Component				Baseline	2015								
Objective/Measure		Formula	Weight	2014	1st Quarter		2nd Quarter		Revised Full Year Target	3rd Quarter		4th Quarter	
					Target	Actual	Target	Actual		Target	Actual	Target	Actual
	SM 3	Percent of locators complied with employment commitment (includes existing)	Actual Number of Locators complied with the above 110% employment commitment / Total Number of Locators with employment commitment x 100 x Weight	5%	100%	100% of locators complied with the above 110% employment commitment	100% of locators complied with the above 110% employment commitment			100% of locators complied with the above 110% employment commitment		100% of locators complied with the above 110% employment commitment	
		Sub-total		25%									
FINANCIAL	SO 2	Increased Operating Profitability											
	SM 4	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Margin	Actual EBITDA (Management Fee + Miscellaneous Income) minus (Personal Services + MOOE excluding interest, taxes, depreciation, amortization) over (Management Fee + Miscellaneous Income) / Target EBITDA x 100 x Weight	10%	14%	6%	6%				6%		6%

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	Component				Baseline	2015								
	Objective/Measure	Formula	Weight	2014		1st Quarter		2nd Quarter		Revised Full Year Target	3rd Quarter		4th Quarter	
					Target	Actual	Target	Actual	Target		Actual	Target	Actual	
	SM 5	Actual Zone Revenue	Actual Zone Revenue for the year / Target Zone Revenue x 100 x Weight	5%	₱72.1 M	₱24 M		₱41 M			₱58 M		₱76 M	
	SM 6	Zone Revenue Collection Efficiency	Actual Collection/Total Zone Revenue for the year x 100 x Weight	5%	95%	97%		97%			97%		97%	
		Sub-total		20%										
STAKEHOLDERS	S0 3	Improved Business Environment												
	SM 7	Access to ICT infrastructure (telecom, internet); provide redundancy	1 additional telecom provider	5%	1 telecom provider	Coordination with telecom providers		Coordination with telecom providers			Implementation/ Actual installation of telecom infrastructure		1 additional telecom provider	
	SM 8	Percent of locators with access to alternative sources of water aside from deepwells	Actual Number of Locators with access to alternative sources of water aside from deepwells	5%	0%			8.33% (1/12)			16.67% (2/12)		25% (3/12)	
	S0 4	Achieved Stakeholders Satisfaction												
	SM 9	Stakeholders Satisfaction Rating based on a survey conducted by a third party	Average of the Ratings of all Stakeholders Repondents	10%	n/a	Procument for services of third party to conduct the survey		Conduct of Survey			Conduct of Survey		3 on a 5-point scale (result of third party survey)	
		Sub-total		20%										

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Component				Baseline	1st Quarter		2nd Quarter		2015	3rd Quarter		4th Quarter				
	Objective/Measure	Formula	Weight	2014	Target	Actual	Target	Actual	Revised Full Year Target	Target	Actual	Target	Actual			
				INTERNAL PROCESS	SO 5	Streamline Frontline Services										
SM 10	Turn Around Time for Business Registration and Renewal of Permit to Operate and Registration Certificates from Receipt of Complete Requirements	A. Actual No. of New Business Registrants processed within the applicable period / Total No. of New Business Registrants x 100 x Weight	5%				a. Start-up Business Registration= 19 days			a. Start-up Business Registration=19 days			a. Start-up Business Registration=19 days			a. Start-up Business Registration=19 days
			B. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Registration Certificates x 100 x Weight	5%			b. Renewal of Registration Certificates = 8 days			b. Renewal of Registration Certificates = 8 days			b. Renewal of Registration Certificates = 8 days			b. Renewal of Registration Certificates = 8 days

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	Component			Baseline	2015								
	Objective/Measure	Formula	Weight		1st Quarter		2nd Quarter		Revised Full Year Target	3rd Quarter		4th Quarter	
				2014	Target	Actual	Target	Actual		Target	Actual	Target	Actual
		C. Actual No. of Locators renewed within the applicable period / Total No. of Locators for Renewal of Permit to Operate x 100 x Weight	5%		c. Renewal of Permit to Operate = 4 days		c. Renewal of Permit to Operate = 4 days			c. Renewal of Permit to Operate = 4 days		c. Renewal of Permit to Operate = 4 days	
		Sub-total	15%										
LEARNING AND GROWTH	SO 6	Institutionalize a Quality Management System (9001:2008)											
	SM 11	ISO Certification from a Certifying Body	Notice from third party Certifying Body that PPMC passed the Surveillance Audit	5%	ISO 9001:2008 Certified	Implementati on of Quality Management System (QMS)		Implementation of Quality Management System (QMS)			Implementation of Quality Management System (QMS)		Passed Surveillance Audit
	SO 7	Institutionalize Safety Management System compliant with International Civil Aviation Organization Standards											
	SM 12	Obtain Aerodrome Certification	Certification from CAAP	5%	Manualization of Airport Processes approved by the Board	Coordination with CAAP for the conduct of an Audit		Compliance with CAAP Audit Findings			Compliance with CAAP Audit Findings		Certification from CAAP*

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