

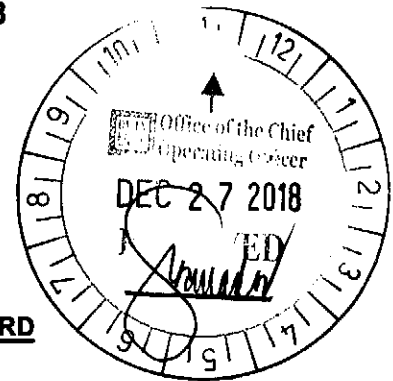


Office of the President of the Philippines
GOVERNANCE COMMISSION
 FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
 3F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



18 December 2018

MR. VICENTE PELAGIO A. ANGALA
Chief Operating Officer (COO)
DUTY FREE PHILIPPINES CORPORATION (DFPC)
 Fiesta Shopping Center, Ninoy Aquino Avenue
 Parañaque City



RE : TRANSMITTAL OF 2019 PERFORMANCE SCORECARD

Dear COO Angala,

This is to formally transmit the 2019 Charter Statement and Strategy Map (**Annex A**) and 2019 Performance Scorecard (**Annex B**) of DFPC. The same is to be posted in DFPC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

The DFPC proposed Charter Statement, Strategy Map and Performance Scorecard submitted through its letter dated 28 September 2018² were **MODIFIED** based on the discussions made during the technical panel meeting (TPM) held on 30 October 2018 and evaluation of revised documents submitted through its letter dated 14 November 2018³.

We take this opportunity to **REMIND** DFPC that Item 5 of GCG Memorandum Circular No. 2017-02⁴ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter.

FOR YOUR COMPLIANCE.

Very truly yours,

SAMUEL G. DASPIN, JR.
Chairman

Michael P. Cloribel
MICHAEL P. CLORIBEL
Commissioner

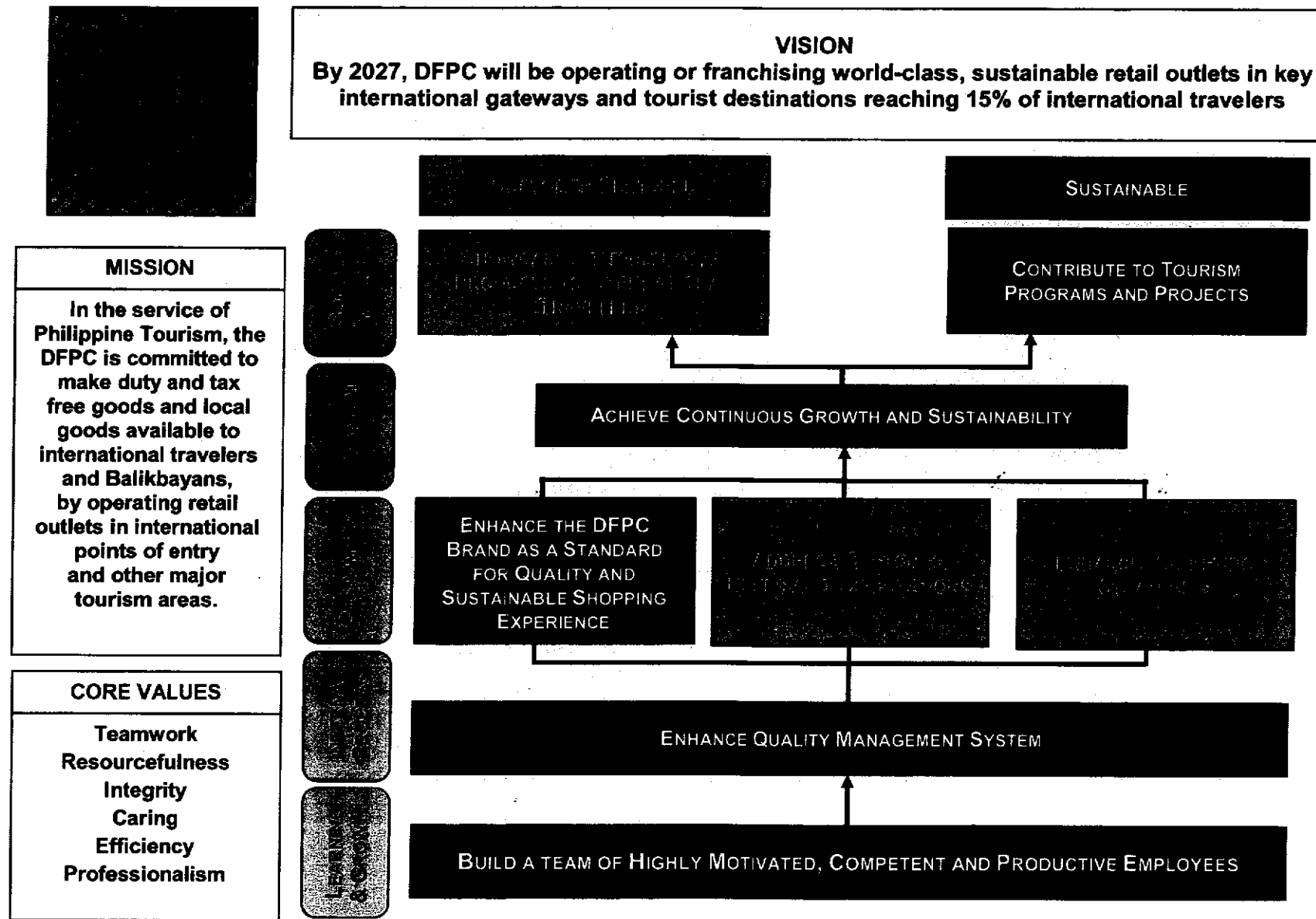
Marites C. Doral
MARITES C. DORAL
Commissioner

¹ Code of Corporate Governance for GOCCs dated 28 November 2012.

² Officially received by the Governance Commission on 01 October 2018.

³ Officially received by the Governance Commission on 20 November 2018.

⁴ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.



2019 PERFORMANCE SCORECARD (ANNEX B)

DUTY FREE PHILIPPINES CORPORATION (DFPC)

	Component	Objective/Measure	Formula	Weight	Rating System	Baseline Data			Target	
						2016	2017	2018	2019	
SOCIAL IMPACT	SM 1	Increase Percentage Sales of Local Products	Sales from Local Products/Total Sales	5%	(Actual / Target) x Weight	1.00%	2.90%	3.00%	3.50%	
	SO 2	Contribute to Tourism Programs and Projects								
	SM 2	Percentage of Net Profit Remitted to Department of Tourism	Amount of fund remitted to DOT / Applicable year's Net Profit	10%	All or Nothing	-	-	₱95 Million	At least 50% of previous year's net profit	
		Sub-total		15%						
FINANCE	SO 3	Achieve Continuous Growth and Sustainability								
	SM 3	Increase Total Revenues	Absolute Amount	10%	\$280 Million and Above = 10% \$254 Million to \$279 Million = 8% \$229 Million to \$253 Million = 5% Less than \$229 Million = 0%	\$218.23 Million	\$213.57 Million	\$260 Million	\$280 Million	
	SM 4	Improve EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	Absolute Amount	10%	₱265 Million and Above = 10% ₱215 Million to ₱264 Million = 8% ₱165 Million to ₱214 Million = 5% Less than ₱165 Million = 0%	₱165.15 Million	₱171.16 Million	₱205 Million	₱265 Million	

1

		Component			Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
	SM 5	Improve Budget Utilization Rate	Total Obligations (net of PS) / Total DBM-Approved COB (net of PS)	5%	All or Nothing	85.00%	90.07%	Not less than 90% but not more than 100%	Not less than 90% but not more than 100%
		Sub-total		25%					
	SO 4	Enhance the DFPC Brand as a Standard for Quality and Sustainable Shopping Experience							
	SM 6	Improve Top of Mind Awareness Rating (Market Survey)	Absolute figure	5%	All or Nothing	-	-	Establish Baseline	Baseline + 1%
CUSTOMERS	SM 7	Percentage of Satisfied Customer							
		Increase Rating on Overall Customer Satisfaction Survey	Total Number of Respondents who gave a Rating of at least Satisfactory / Total Number of Respondents	7.5%	(Actual / Target) x Weight If less than 90% = 0%	-	49%	93.50%	94%
		Increase Rating on Availability of Promo Items		2.5%		-	46%	93.50%	94%
		Increase Rating on Value for Money of Products		2.5%		-	49%	93.50%	94%
		Increase Rating on Competitive Prices		2.5%		-	45%	91.50%	92%
	SO 5	Address Customer Needs and Expectations							
	SM 8	Increase Market Penetration Rate	Customer Count / Total International Travelers (Arrivals and Departures)	10%	(Actual / Target) x Weight If less than 8% = 0%	8%	-	10%	11%
	SM 9	Increase Average Purchase per Customer	Total Dollar Net Sales / Total Pax Count	10%	(Actual / Target) x Weight If less than \$114 = 0%	\$125.94	\$114.03	\$140	\$150
		Sub-total		40%					

✓

	Component				Baseline Data			Target	
	Objective/Measure	Formula	Weight	Rating System	2016	2017	2018	2019	
INTERNAL PROCESS	SM 10	Ensure Positive Return on Marketing Investment	$(\text{Current Year's Gross Profit on Sales} - \text{Previous Year's Gross Profit on Sales}) / \text{Previous Year's Marketing Investments}$	5%	$(\text{Actual} / \text{Target}) \times \text{Weight}$ If less than 140% = 0%	-	-	140%	703%
	SM 11	Improve Business Model	Actual Accomplishment	5%	All or Nothing	-	-	Acceptance by Project Study Committee (PPP Center, DFPC and DOT) of Feasibility Study and Market Sounding Report	Instruction to Bidders including Draft Concessions Agreement
	SO 7	Enhance Quality Management System							
	SM 12	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2008 Certification Maintained	ISO 9001:2015 on all sites, all processes	Pass Surveillance Audit for ISO 9001:2015	Pass Surveillance Audit for ISO 9001:2015 for all sites and processes
		Sub-total		15%					
LEARNING & GROWTH	SO 8	Build a Team of Highly Motivated, Competent and Productive Employees							
	SM 13	Increase Human Capital Value Added (HCVA)	$[(\text{Net Income} + \text{Personnel Cost}^1) / \text{Total Number of Employees}]$	5%	$(\text{Actual} / \text{Target}) \times \text{Weight}$	₱686,032	₱704,216	₱61,000 ²	₱838,840
		Sub-total		5%					
	TOTAL		100%						

¹ Sum of Personal Services (PS) Cost and Salaries and Wages for Job Order and Contract of Service Employees

² Target was divided by 12 to reflect monthly HCVA.