

HERN FOODS CORPORATION (NFC)
Performance Scorecard

Component			Target	Submission		CGO-B Validation		Supporting Documents	Remarks															
Objective/Measure	Formula	Weight	2015	Actual	Rating	Score	Rating																	
O 1	Increased Market Share																							
SM 1	Percent share of NFC sales to total tomato paste domestic supply	Total NFC sales for the year divided by the total of NFC sales and imports (28/30% grade) for the same year	7.5%	36% (3,967 tons/11,145 tons)	31% (3,531/11,389)	6.5%	31% (3,531/11,390)	6.46%	<ul style="list-style-type: none">• Details of 2015 Sales• Sample sales invoice• Extracted Sales Receipt Prooflist (monthly)• Summary of imports (28-30 NTSS)• Imports Commodities Expert Report• Sample PCCI invoice Data for imports were obtained from Philippine Chamber of Commerce and Industry (PCCI) as contained in the Imports Commodities Expert Report.															
SO 2	Increase Participation of Farmers																							
SM 2	No. of hectares devoted to tomatoes by participating farmers	Sum of reported transplanted areas	5.0%	730 ha (1,825 farmers)	781 ha (1,830 farmers)	5.0%	783 ha (1,828 farmers)	5%	<ul style="list-style-type: none">•Crop 2015-2016 Farmers' Master List•Accomplishment Report <table><tr><td>Clusters</td><td>ha</td><td>farmers</td></tr><tr><td>Laoag</td><td>178</td><td>528</td></tr><tr><td>Batac</td><td>187</td><td>347</td></tr><tr><td>Cabugao</td><td>169</td><td>521</td></tr><tr><td>Narvacan</td><td>249</td><td>432</td></tr></table>	Clusters	ha	farmers	Laoag	178	528	Batac	187	347	Cabugao	169	521	Narvacan	249	432
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SO 3	Increased Income Generating Projects for Ancillary Industries											
SM3	Payments made to families in ancillary industries	Actual amount of releases	5.0%	₱11.241M (364 families and contract laborers)	₱10.555 M (322 families and contract laborers)	4.7%	₱10.555 M (322 families and contract laborers)	4.69%	<ul style="list-style-type: none">Income Generating Projects for Ancillary Industries SummaryMemorandum of Agreement with NFC Employee CooperativeVouchers, Acknowledgment receipt	Ancillary Industry	Pax	Income (₱)
										Basket Weaving	73	267,638
										Hauling	63	6,998,604
										Seed Farm	150	2,183,879
										Research & Devt	15	315,174
										Drum Refurbishing	12	443,086
										Truck Helpers	3	256,283
										Plant Pakyaw Labor	6	90,563
										Total:	322	10,555,227
SO 4	Provided Opportunities to Fresh Graduates to Gain Experience in Manufacturing											
SM4	No. of jobs generated (excluding farmers)	Actual count of fresh graduates as On-the-Job Trainees (OJT) (fresh graduates means NFC as first time job)	0.0%	Fresh graduates = 33 OJT = 8	Fresh graduates = 40 OJT = 18	0.0%	Fresh graduates = 40 OJT = 18	0.0%	<ul style="list-style-type: none">List of the Actual count of fresh graduates as On-Job-Trainees (OJTs)Employment Contracts and Information Sheets (COS), Training Agreements and Accomplishment Reports (OJT)	NFC hired the fresh graduates on a contractual basis. The number of OJTs and COS employees is counted on the year the employment commenced, as supported by the Employment Contract for COS employees, and the Training Agreement for OJTs.		
Subtotal			17.5%			16.2%		16.15%				
SO 5	Improve Stakeholder's Satisfaction											
SM 5	Satisfaction rating : a. Customers	Average rating of respondents	5.0%	90%	Mean of 4.57 Extremely satisfied	5.0%	90%	5.0%	<ul style="list-style-type: none">Customer Satisfaction Survey by MMSU College	Factor average of 4.59 for the following indicators: Timeliness, ease of access, staff, quality, quantity and		

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	b. Farmers	Average rating of respondents	5.0%	90%	Mean of 4.53 Very highly satisfied	5.0%	90%	5.0%	of Business, Economics and Accountancy	overall satisfaction. Conduct of the survey used a 1-5 rating scale, with five being the highest rating (very highly satisfied / extremely satisfactory). Transmutation of the five-point scale into percentage was provided by the MMSU.																	
SM 6	Credit facilitation for farmers	Actual amount of releases made by lending institutions divided by total amount of releases made (including NFC)	7.5%	38% (P10.37M of P27.03M)	51% (P14M of P27.48M)	7.5%	50.95%	7.5%	• Credit Facilitation for Farmers ending Dec. 2015	<table><tr><td>NFC</td><td>13.48 M</td></tr><tr><td colspan="2">Financing Institutions</td></tr><tr><td>CBIN</td><td>4.51 M</td></tr><tr><td>SJMPCI</td><td>3.9</td></tr><tr><td>SF/NFCEMPC</td><td>1.47</td></tr><tr><td>BSIMPC</td><td>3.92</td></tr><tr><td>SARRAT-NAMNAMA</td><td>0.2</td></tr><tr><td colspan="2">TOTAL</td><td>27.48</td></tr></table>	NFC	13.48 M	Financing Institutions		CBIN	4.51 M	SJMPCI	3.9	SF/NFCEMPC	1.47	BSIMPC	3.92	SARRAT-NAMNAMA	0.2	TOTAL		27.48
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Subtotal		17.5%			17.5%		17.5%																				
SO 6	Improve Profitability																										
SM 7	EBITDA margin	Amount of EBITDA based on the Profit and Loss Statement	5.0%	P9.00M	P14.89M	5.0%	P14.88M	5.0%	• Profit and loss statement for the period 1 June 2015 - 31 May 2016	<table><tr><td>Gross profit</td><td>44.27 M</td></tr><tr><td>Expenses</td><td>29.39</td></tr><tr><td>EBITDA</td><td>14.88</td></tr></table>	Gross profit	44.27 M	Expenses	29.39	EBITDA	14.88											
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SM 8	Reconciliation of outstanding loans with creditors	No. of creditors who confirmed	7.5%	Concurrence of all creditors on final balance	4 creditors confirmed with 4 confirming correct principal balances	7.5%	4 creditors confirmed with 4 confirming correct principal balances	7.5%	• Creditors' Confirmation Letter • NFC's Summary of Loans as of 23 March 2016 • NFC's Audited Financial Statement	NFC records these outstanding loans in their Balance Sheet under the account "Other Liabilities". Breakdown is as follows: <table><tr><td>Creditor</td><td>Amount</td></tr><tr><td>NLDC</td><td>P 62,781,074</td></tr><tr><td>HSDC</td><td>53,523,420</td></tr><tr><td>QUEDANCOR</td><td>19,888,134</td></tr><tr><td>ACPC</td><td>72,174,000</td></tr><tr><td>Total</td><td>P 208,366,638</td></tr></table> The creditors does not record accrued interest and penalties on these amounts.	Creditor	Amount	NLDC	P 62,781,074	HSDC	53,523,420	QUEDANCOR	19,888,134	ACPC	72,174,000	Total	P 208,366,638					
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Objective/Measure	Formula	Weight	2015	Actual	Rating	Score	Rating		
Subtotal		12.5%			12.5%		12.5%		
SO 7	Improve Plant Efficiency								
SM 9	Conversion rate (fruits-to-paste)	Net Fruit Processed divided by Net Paste Produced	5.0%	6.57	6.77	4.8%	6.77	4.8%	<ul style="list-style-type: none"> Summary of Pack Produced (Crop 2015) Finalized paste packing data Production Operations Daily Report to Acctg.
SM 10	Plant downtime	Plant Downtime Hours (affecting plant rate) divided by Total Plant Operating hours	5.0%	4.8% (64.6 hours)	7.48% (96.8 hours)	2.2%	7.18% (96.8 hours)	2.52%	<ul style="list-style-type: none"> Production Data Daily Analysis CY 2015 Production Downtime Report CY 2015 Plant Downtime Analysis CY 2015 Plant Downtime Affecting Plant Rate
SM 11	Product preservation: a. Reprocessing	Tomato paste stocks, within current processing season or past year crop, that undergo reprocessing	5.0%	43 tons	68.91 tons	1.97%	69 tons	1.98%	<ul style="list-style-type: none"> Production Operations Daily Report
	b. Spoilage	Tomato paste stocks unfit for consumption, including customer returns	5.0%	15.3 tons	16.661 tons	4.6%	16.65 tons	4.56%	<ul style="list-style-type: none"> Tomato Paste Spoilage CY 2015 CY 2015 for Disposal Packs Spoiled Packs Evaluation

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										Insect bites and 3.59 tons with flakes.
SO 8	Effect Timely Payment to Farmers for Their Fruit Deliveries									
IM 12	Days gap from Collection to Payment of farmers	Weighted average days from Date of collection/Check preparation to actual date of receipt by farmers	2.5%	5 days	5.56 days	2.2%	4.75 days	2.5%	• Summary of Checks prepared and released (onsite)	
SO 9	Develop an Alternative Strategic Business Model									
IM 13	Privatization / Dispositive Actions on NFC	Milestone: Submission to GCG on or before 7 February	10.0%	Approved study of comparative modes (Privatization, Equitization, Abolition)	GCG has mandated NFC for Privatization. The NFC Board approved the privatization Plan per BOD Resolution No. 2015-02-2002	10.0%	Privatization Plan as approved by NFC Board through BOD Resolution No. 2015-02-2002	10.0%	• Secretary's Certificate of BOD Resolution No. 2015-02-2002	NFC Board approved the Privatization Plan of NFC on 20 January 2015.
Subtotal			32.5%			25.77%		26.36%		

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SO 10	Enhance Competence and Professionalism in the Work Force									
SM 14	Competency Framework	Competency Framework Manual	5.0%	Approved competency framework	Approved competency framework NFC BOD Resolution No. 2015-09-2403	5.0%	Approved competency framework	5.0%	<ul style="list-style-type: none">BOD Resolution No. 2015-09-2403 dated 4 Dec 2015 approving NFC's Competency Framework	
SO 11	Establish Food Safety System, Maintain Quality Management System and Product Certifications									
SM 15	Certifications: a. ISO 9001 (Quality Mgt. System)	Recertification to ISO 9001:2008 standards after the processing season surveillance audit	5.0%	Passed surveillance audit	Passes surveillance audit	5.0%	Passed surveillance audit	5.0%	<ul style="list-style-type: none">Certification International Philippines, Inc. letter dated 18 Dec 2015	Surveillance audit conducted on 17 November 2015.
	b. ISO 22000 (Food Safety Mgt. System)	Manuals / references passed internal audit	5.0%	Finalization of Manuals	Approved FSMS Manuals per NFC BOD Resolution No. 2015-12-0402	5.0%	Finalized Manuals	5.0%	<ul style="list-style-type: none">BOD Resolution No. 2015-12-0402 dated 4 Dec 2015	
	c. Halal (Product)	Renewal of product certification after the actual ocular plant inspection and audit during processing season	5.0%	Halal certified	Halal Certified	5.0%	Halal certified	5.0%	<ul style="list-style-type: none">Halal Product Certificate ICDPC No. 06-F-118-01	Audit inspection conducted on 17 February 2015 with certification valid until 7 March 2016
Subtotal			20%			20%		20%		
TOTAL			100%			91.97%		92.51%		