

**SUMMARY OF AGREEMENTS
NORTHERN FOODS CORPORATION
2016**

PAN AGREEMENT								
No.	Strategic Objective / Measure	2016 Weight	Formula	Baseline				Target
				2012	2013	2014	2015	2016
S01	Increased Market Share							
SM1	Percent share of NFC sales to total tomato paste domestic supply	2.5%	Total NFC sales for the year divided by the total of NFC sales and imports (28/30% grade + 30/32 % and 36-38% grade) for the same year	-	14.06% (3,891/27,678 tons)	18.64% (4,275/22,938 tons)	15.80% (3,967 / 25,110tons)	16.02% (4,450/27,776 tons)
S02	Increased Participation of Farmers							
SM2	No. of hectares devoted to tomatoes by participating farmers	5.0%	Sum of reported transplanted areas	570 ha (1,868 farmers)	603 ha (1,739 farmers)	704.15 (1,714 farmers)	730 ha (1,825 farmers)	826 ha (1,836 farmers)
SM3	Credit facilitation for farmers	7.5%	Actual amount of releases made by lending institutions divided by total amount of releases made (including NFC)	33% (P7.88M of P23.77M)	30% (P7.70M of P25.45M)	39.70% (P9.46M of P23.83M)	38% (P10.37M of P27.03M)	40% (P11.76M of P29.43M)
S03	Increased Income Generating Projects for Ancillary industries							
SM4	Payments made to families in ancilliary industries	7.5%	Actual amount of releases	P7.336M (290 families and contract laborers))	P6.935M (266 families and contract laborers))	P11.220M (369 families and contract laborers)	P11.241M (364 families and contract laborers)	P12.25 M (432 families and contract laborers)
S04	Provided Opportunities to Fresh Graduates to Gain Experience in Manufacturing							
SM5	No. of jobs generated (excluding farmers)	0.0%	Actual count of fresh graduates as On-the-Job Trainees (OJT) (fresh graduates means NFC as first time job)	Fresh graduates = 25 OJT = 42	Fresh graduates = 23 OJT = 17	Fresh graduates = 33 OJT = 8	Fresh graduates = 33 OJT = 8	Fresh graduates = 33 OJT = 8
S05	Improve Stakeholders' Satisfaction							
SM6	Satisfaction rating:							
	a) Customers	7.50%	Average rating of respondents	N/A			90%	90%
	b) Farmers	7.50%	Average rating of respondents	N/A			90%	90%
	Subtotal	37.5%						
S06	Improve Profitability							

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FINANCIAL	SM7	EBITDA margin	5.0%	Amount of EBITDA based on the Profit and Loss Statement	(P6.033M)	P2.99M	P8.784M	P9.00M	P9.23M
	SM8	Reconciliation of outstanding loans with creditors	0.0%	No. of creditors who confirmed	N/A			Concurrence of all creditors on final balances	Privatization matter
	Subtotal		5.0%						
INTERNAL PROCESS	SO7	Improve Plant Efficiency							
	SM9	Conversion rate (fruits-to-paste)	6.25%	Net Fruit Processed divided by Net Paste Produced	6.75	6.84	6.94 (25,373/3,658)	6.57 (26,280/4,000)	6.61 (29,736/4,500)
	SM10	Plant downtime	6.25%	Plant Downtime Hours (affecting plant rate) divided by Total Plant Operating hours	6.4% (63 hours)	6.0% (58 hours)	6.97% (92.2 hours)	4.8% (64.6 hours)	4.94% (77 hours)
	SM11	Product preservation: a) Reprocessing	6.25%	Tomato paste stocks, within current processing season or past year crop, that undergo reprocessing	184 tons	108 tons (2.16%)	51.4 tons (1.09%)	43 tons (1.6%)	32 tons (0.62%)
		b) Spoilage	6.25%	Tomato paste stocks unfit for consumption, including customer returns	13.1 tons	24.7 tons (0.49%)	11.1 tons (0.24%)	15.3 tons (0.36%)	10.56 tons (0.20%)
	SO8	Effect Timely Payment to Farmers for Their Fruit Deliveries							
	SM12	Days gap from Collection to Payment of farmers	7.5%	Weighted average days from Date of collection/ Date of Remittance or receipt	7.6 days	9.2 days	6.5 days	5 days	4 days
	SO9	Develop an Alternative Strategic Business Model							
	SM13	Privatization/Dispositive Actions on NFC	2.5%	Milestone: 2016 onwards - Implementation	N/A			Approved study on comparative modes (Priva, equitization, abolition)	Privatized by end of 2016
	Subtotal		35.0%						

PAN AGREEMENT

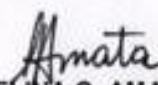
PAN AGREEMENT									
No.	Strategic Objective / Measure	2016 Weight	Formula	Baseline				Target	
				2012	2013	2014	2015	2016	
SO10	Enhance Competence and Professionalism in the Work Force								
SM14	Average percentage of Required Competency met	5.0%	Competency Framework Manual	N/A				Approved competency framework	Conduct of Competency Assessment for existing personnel (establish baseline)
SO11	Establish Food Safety System, Maintain Quality Management System and Product Certifications								
SM15	Certifications :	5.0%	Recertification to ISO 9001:2008 standards after the processing season surveillance audit	Passed surveillance audit	Passed surveillance audit	Passed surveillance audit	Passed surveillance audit	2nd re-certification	
	a)ISO 9001 (Quality Mgt. System)								
	b) ISO 22000 (Food Safety Mgt. System)	7.5%	Manuals / references passed internal audit	N/A				Finalization of Manuals	Certification to ISO 22000
	c) Halal (Product)	5.0%	Renewal of product certification after the actual ocular plant inspection and audit during processing season	Halal certified	Halal certified	Halal certified	Halal certified	Halal certified	
	Subtotal	22.5%							
	Total Weight	100%							

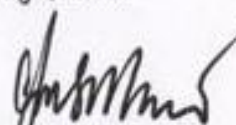
For GCG:




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