

CY 2017 CHARTER STATEMENT AND STRATEGY MAP (ANNEX A)

STRATEGY MAP

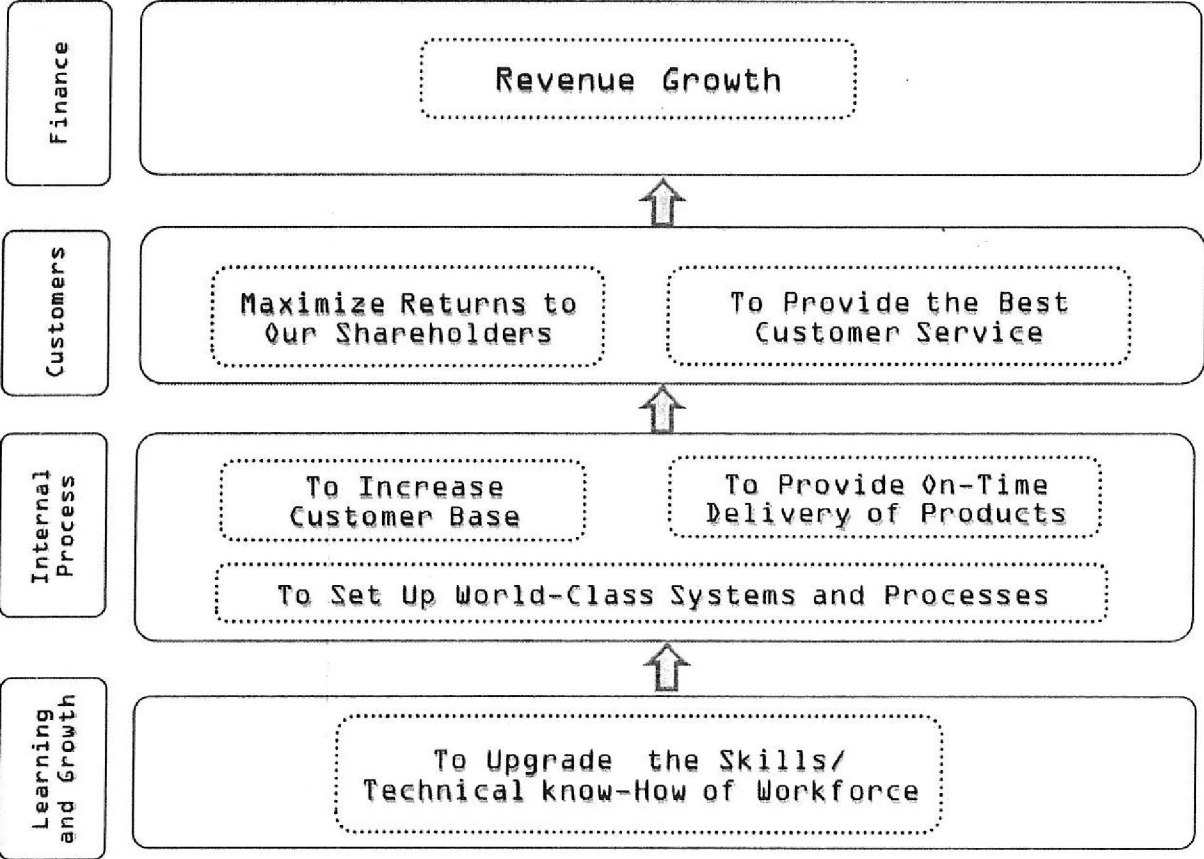


APO PRODUCTION UNIT, INC.

Vision
 By 2018, for APO Production Unit to have been transformed into an integral and essential component in the infrastructure providing world class total printing solutions to the National Government and its agencies.
 By 2020, for APO to provide cutting-edge printing services to foreign governments and international organizations.

Mission
 To meet the requirements of the National Government and its agencies for highly-sensitive security printing services by employing innovative technologies, business efficiencies and highly-competent personnel through the judicious use of the corporate form of organization

- Core Values**
- Integrity
 - Innovativeness
 - Entrepreneurial Spirit
 - Pursue Growth and Learning
 - Social Responsibility
 - Teamwork



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| | | | | | | | | | |
|------------------|---|---|------------------------------|----------------|-----------------|--------|-------|-------------------------------------|---|
| INTERNAL PROCESS | SO 4 | To Increase Customer Base | | | | | | | |
| | SM 5 | Increase in Government Agencies Served | No. of Agencies | 5% | Actual / Target | - | 74 | 89 | 4 Additional Client Agencies |
| | | | Sub-total | 10% | | | | | |
| | SO 5 | To Provide On-Time Delivery of Products | | | | | | | |
| | SM 6 | Reduction of Penalties Incurred | Total Penalties/ Total Sales | 5% | Actual / Target | 0.057% | 0.01% | 0.047% | 0.038% |
| | SO 6 | To Set Up World Class Systems and Processes | | | | | | | |
| | SM 7 | ISO Certification | | | | | | | |
| | | a. QC Plant | Actual Accomplishment | 5% | All or Nothing | - | - | % Manualization of QC Plant | ISO 9001:2015 Certification |
| | | b. Lima Plant | | 5% | All or Nothing | - | - | Pass Surveillance Audit | Pass Surveillance Audit (ISO 9001:2008) |
| | | | Sub-total | 15% | | | | | |
| SO 7 | To Upgrade the Skills and Technical Know-How of Workforce | | | | | | | | |
| SM 8 | Competency Framework | Actual Accomplishment | 0% | All or Nothing | N/A | N/A | N/A | Board-Approved Competency Framework | |
| | | Sub-total | 0% | | | | | | |
| | | TOTAL | 100% | | | | | | |

CY 2017 PERFORMANCE SCORECARD (ANNEX B)

APO PRODUCTION UNIT, INC. (APO-PUI)

| | Component | | | | Baseline Data | | | Target | |
|---|--|-----------------------------------|--|-----------------|--|-----------|------------|------------|----------|
| | Objective/Measure | Formula | Weight | Rating System | 2014 | 2015 | 2016 | 2017 | |
| FINANCIAL | SO 1 Revenue Growth | | | | | | | | |
| | SM 1 | Revenue Growth from Previous Year | | | | | | | |
| | | a. QC Plant and Lima Plant | Actual Total Revenues | 20% | Actual / Target | ₱679.50 M | ₱1,210.6 M | ₱816 M | ₱715.7 M |
| | | b. Joint Venture Company | | 20% | Actual / Target | - | - | ₱1,420.6 M | ₱2,000 M |
| | SM 2 | EBITDA | Net Income + Interest + Taxes + Depreciation | 15% | Actual / Target | ₱45.7 | ₱98.3 | ₱79.8 | ₱89.4 M |
| SO 2 Maximize Return to Our Shareholders | | | | | | | | | |
| SM 3 | Dividends Remittance to the National Government (NG) | Actual Remittance | 20% | Actual / Target | - | - | ₱23.9 M | ₱38.68 M | |
| | | Sub-total | 75% | | | | | | |
| CUSTOMERS/ STAKEHOLDERS | SO 3 To Provide the Best Customer Service | | | | | | | | |
| | SM 4 | Customers' Satisfaction Rating | Average % Rating | 5% | 94% and above – 5% 93% - 4% 92% - 3% 91% - 2% 90% - 1% 89% and below – 0% | - | 93.75% | 95.8% | 94% |

APO PRODUCTION UNIT, INC.
Validated 2017 Performance Scorecard

| | Objective/ Measure | Component | | | GOCC Submission | | GCG Validation | | Supporting Documents | Remarks | | | | | | | | | | | | |
|--------------------------|--|---|---|-------------------------------|-------------------------------|----------|---|---|---|---|---|---|------------|--------------|-------|--------------|--------------|---------------------|--------------|------------|---------------|--------------------|
| | | Formula | Weight | Rating System | Target | Actual | Rating | Score | | | Rating | | | | | | | | | | | |
| FINANCE | SO 1 | Revenue Growth | | | | | | | | | | | | | | | | | | | | |
| | SM 1 | Revenue Growth from Previous Year | | | | | | | | | | | | | | | | | | | | |
| | | a. QC Plant and Lima Plant | [(Current FY Sales/ Last FY Sales) - 1] x100% | 20% | Actual/ Target x Weight | 715.70 M | 762.9 M | 20% | 762.91 | 20% | - Certifications from Finance Manager - COA Audited Financial Statements | Target exceeded. <table border="1"> <tr> <td>QC</td> <td>₱334,734,520</td> </tr> <tr> <td>Lima</td> <td>₱428,177,679</td> </tr> <tr> <td>Total</td> <td>₱762,912,199</td> </tr> </table> | QC | ₱334,734,520 | Lima | ₱428,177,679 | Total | ₱762,912,199 | | | | |
| | | QC | ₱334,734,520 | | | | | | | | | | | | | | | | | | | |
| | Lima | ₱428,177,679 | | | | | | | | | | | | | | | | | | | | |
| Total | ₱762,912,199 | | | | | | | | | | | | | | | | | | | | | |
| b. Joint Venture Company | 20% | 2,000 M | 2,862.7 M | 20% | 2,834.4 M | 20% | - APO-UGEC Security Printing Joint Venture Audited Financial Statements (Statement of Comprehensive Income) | Total service revenue for 2017 from the APO-UGEC JV is at ₱2,834,447,469. | | | | | | | | | | | | | | |
| SM 2 | Increase in EBITDA (in Millions) | [(Current FY EBITDA/ Last FY EBITDA) - 1] x100% | 15% | 89.4 M | 169.75 M | 15% | 169.75 M | 15% | - COA Audited 2017 APO-PUI Financial Statements | <table border="1"> <thead> <tr> <th></th> <th>Amount in ₱</th> </tr> </thead> <tbody> <tr> <td>Net Profit</td> <td>143,569,790</td> </tr> <tr> <td>Taxes</td> <td>7,407,045</td> </tr> <tr> <td>Interest</td> <td>282,922</td> </tr> <tr> <td>Depreciation</td> <td>18,487,355</td> </tr> <tr> <td>EBITDA</td> <td>169,747,112</td> </tr> </tbody> </table> | | Amount in ₱ | Net Profit | 143,569,790 | Taxes | 7,407,045 | Interest | 282,922 | Depreciation | 18,487,355 | EBITDA | 169,747,112 |
| | Amount in ₱ | | | | | | | | | | | | | | | | | | | | | |
| Net Profit | 143,569,790 | | | | | | | | | | | | | | | | | | | | | |
| Taxes | 7,407,045 | | | | | | | | | | | | | | | | | | | | | |
| Interest | 282,922 | | | | | | | | | | | | | | | | | | | | | |
| Depreciation | 18,487,355 | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 169,747,112 | | | | | | | | | | | | | | | | | | | | | |
| SO 2 | Maximize Return to Our Shareholders | | | | | | | | | | | | | | | | | | | | | |
| SM 3 | Dividends Remittance to National Government (NG) | Actual Remittance | 20% | Actual/ Target x Weight | 38.68 M | 38.7 M | 20% | 38.687 M | 20% | - Official Receipts issued by BTr - Accounts Payable, Disbursement Vouchers - Schedule of Dividend Payments | In compliance with the renegotiated payment scheme with the DOF, total dividends remitted was at ₱38,686,831.56 in equal monthly payments of ₱3,223,902.63. | | | | | | | | | | | |

MFCP: EVALUATION OF APO-PUI 2017 PERFORMANCE SCORECARD

| | | | | | | | | | | | | |
|--------------------------------|-----------------|--|------------------------------|---|--|------------------------------|---|------------------|---|--|---|---|
| | Subtotal | | 75% | | | | 75% | | 75% | | | |
| CUSTOMERS/ STAKEHOLDERS | SO 3 | To Provide the Best Customer Service | | | | | | | | | | |
| | SM 4 | Customer Satisfaction Rating | Average % Rating | 5% | 94 & above-5% 93 - 4% 92 - 3% 91 - 2% 90 - 1% 89 & below - 0% | 94% | 100% | 5% | 100% | 5% | - Report on the Customer Satisfaction Survey for APO-PUI by Carmelita Ericta | From the 100% overall satisfaction rating, about 64.3% of the clients were very satisfied, while no one expressed dissatisfaction with APO-PUI's performance. |
| | SO 4 | To Increase Customer Base | | | | | | | | | | |
| | SM 5 | Increase in Government Agencies Served | No. of Agencies | 5% | Actual/Target x Weight | 4 Additional Client Agencies | 106 | 5% | 106 | 5% | - Certified List of Clients Directory in 2017 | Seventeen (17) clients were added in 2017. |
| | | Subtotal | | 10% | | | | 10% | | 10% | | |
| INTERNAL PROCESS | SO 5 | To Provide On-Time Delivery of Products | | | | | | | | | | |
| | SM 6 | Reduction of Penalties Incurred | Total Penalties/ Total Sales | 5% | Actual/Target x Weight | 0.038% | 0.046% | 4% | 0.046% | 3.95% | - Certified List of Invoices of Penalties Incurred | Total penalties incurred was at ₱353,072, as against the total sales of ₱762,912,199. |
| | SO 6 | To Set-up World Class Systems and Processes | | | | | | | | | | |
| | SM 7 | ISO Certification | | | | | | | | | | |
| a. QC Plant | | Actual Accomplishment | 5% | All or Nothing | ISO 9001:2015 Certification | 0% | 0% | Not Accomplished | 0% | - | No fund was secured for this purpose which needed Board approval. Since the Board of Directors were still on hold-over capacity, no Board meetings were held in 2017. | |
| b. Lima Plant | 5% | | All or Nothing | Pass Surveillance Audit (ISO 9001:2008) | Passed Surveillance Audit (ISO 9001:2008) | 5% | Passed Surveillance Audit (ISO 9001:2008) | 5% | - SGS Management System Certification: Audit Summary Report | Target met. SGS Audit Report was released on 15 November 2017 with zero (0) non-conformities identified. | | |

MFCP: EVALUATION OF APO-PUI 2017 PERFORMANCE SCORECARD

| | | | | | | | | | | | | |
|--|--------------|--|-----------------------|-------------|----------------|-------------------------------------|------------------|---------------|------------------|---------------|---|--|
| | | Subtotal | | 15% | | | | 9% | | 8.95% | | |
| | SO 7 | To Upgrade the Skills and Technical Know-How of Workforce | | | | | | | | | | |
| | SM 8 | Competency Framework | Actual Accomplishment | 0% | All or Nothing | Board-Approved Competency Framework | Not accomplished | 0% | Not accomplished | 0% | - | This was not achieved since its Board of Directors were on hold-over capacity and no Board meetings were held in 2017. |
| | | Subtotal | | 0% | | | | 0% | | 0% | | |
| | TOTAL | | | 100% | | | | 94.00% | | 93.95% | | |