COVER SHEET

2	3	0	2	2						

S.E.C. Registration Number

PANASONIC MANUFACTURING

PHILIPPINES CORPORATION

(Company's Full Name)

ORTIGAS AVENUE EXTENSION

TAYTAY RIZAL

(Business address: No. Street City / Town / Province)

MARLON MOLANO

Contact Person

635 2260

Company Telephone Number

0	3

Month

3	1

Day

2019

Fiscal Year

A	C	G	R

FORM TYPE

0	6

Month

1	7

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

Top be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

CASHIER

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year: Fiscal Year **2016**

2. Exact Name of Registrant as Specified in its Charter**: PANASONIC MANUFACTURING PHILIPPINES CORP. (PMPC)**

3. **Ortigas Avenue Extension, Taytay, Rizal** — **1920**
   Address of Principal Office — Postal Code

4. SEC Identification Number: **23022**

5. (SEC Use Only)
   Industry Classification Code

6. BIR Tax Identification Number: **000-099-692-000**

7. 632-635-2260 to 65
   Issuer's Telephone number, including area code

8. .....
   Former name or former address, if changed from the last report

TABLE OF CONTENTS

A. BOARD MATTERS....5

1) BOARD OF DIRECTORS

(a) Composition of the Board....5

(b) Corporate Governance Policy/ies....5

(c) Review and Approval of Vision and Vision....5

(d) Directorship in Other Companies....5

(e) Shareholding in the Company....7

2) CHAIRMAN AND CEO....7

3) PLAN FOR SUCCESSION OF CEO/MANAGING DIRECTOR/PRESIDENT AND TOP KEY POSITIONS...8

4) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS....8

5) CHANGES IN THE BOARD OF DIRECTORS....9

6) ORIENTATION AND EDUCATION PROGRAM....12

B. CODE OF BUSINESS CONDUCT & ETHICS....12

1) POLICIES....12

2) DISSEMINATION OF CODE....14

3) COMPLIANCE WITH CODE....14

4) RELATED PARTY TRANSACTIONS....14

(a) Policies and Procedures....14

(b) Conflict of Interest....15

5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS....15

6) ALTERNATIVE DISPUTE RESOLUTION....16

C. BOARD MEETINGS & ATTENDANCE....16

1) SCHEDULE OF MEETINGS....16

2) DETAILS OF ATTENDANCE OF DIRECTORS....16

3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS....17

4) QUORUM REQUIREMENT....17

5) ACCESS TO INFORMATION....17

6) EXTERNAL ADVICE....18

7) CHANGES IN EXISTING POLICIES....19

D. REMUNERATION MATTERS....19

1) REMUNERATION PROCESS....19

2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS....19

3) AGGREGATE REMUNERATION....20

4) STOCK RIGHTS, OPTIONS AND WARRANTS....20

5) REMUNERATION OF MANAGEMENT....21

E. BOARD COMMITTEES....21

1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES....21

2) COMMITTEE MEMBERS....23

3) CHANGES IN COMMITTEE MEMBERS....25

4) WORK DONE AND ISSUES ADDRESSED....25

5) COMMITTEE PROGRAM....26

F. RISK MANAGEMENT SYSTEM....26

1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM....27

2) RISK POLICY....27

3) CONTROL SYSTEM....18

G. INTERNAL AUDIT AND CONTROL....31
1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM....31
2) INTERNAL AUDIT
(a) Role, Scope and Internal Audit Function....32
(b) Appointment/Removal of Internal Auditor....32
(c) Reporting Relationship with the Audit Committee....32
(d) Resignation, Re-assignment and Reasons....33
(e) Progress against Plans, Issues, Findings and Examination Trends....33
(f) Audit Control Policies and Procedures....33
(g) Mechanisms and Safeguards....34

H. ROLE OF STAKEHOLDERS....35
I. DISCLOSURE AND TRANSPARENCY....37
J. RIGHTS OF STOCKHOLDERS....39
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS....39
2) TREATMENT OF MINORITY STOCKHOLDERS....44
K. INVESTORS RELATIONS PROGRAM....44
L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES....45
M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL....45
N. INTERNAL BREACHES AND SANCTIONS....46

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Nine (9)

Actual number of Directors for the year	Nine (9)

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive Director(ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)[1]	Elected when (Annual /Special Meeting)	No. of years served as director
Koji Takatori	NED	Panasonic Corp. Japan	Panasonic Corp. Japan	4/01/16	6/17/16	Annual	1 yr.
Shinichi Hayashi	ED	Panasonic Corp. Japan	Panasonic Corp. Japan	6/17/16	6/17/16	Annual	2 years
Hiroshi Yamada	ED	Panasonic Corp. Japan	Panasonic Corp. Japan	2/01/14	6/17/16	Annual	2.5 yrs.
Yoshiyuki Takahashi	ED	Panasonic Corp. Japan	Panasonic Corp. Japan	6/19/15	6/19/16	Annual	2 years
Masaru Toyota	ED	Panasonic Corp. Japan	Panasonic Corp. Japan	6/14/14	6/17/16	Annual	2 years
Eiji Fukumori	NED	Panasonic Corp. Japan	Panasonic Corp. Japan	4/01/16	6/17/16	Annual	1 year
Hiroyuki Tagishi	NED	Panasonic Corp. Japan	Panasonic Corp. Japan	4/01/16	6/17/16	Annual	1 year
Elizabeth P. Gildore	ID	M. Molano	No Relationship	6/19/15	6/17/16	Annual	2 years
Emiliano Volante	ID	M. Molano	No Relationship	October 2010	6/17/16 3.3 yrs.	Annual	6.4 yrs.

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.
The Board delineated the PMPC's corporate governance policy on the rights of the stockholders in relation to: (1) right to vote on all matters that require approval (2) Pre-emptive right to all stock issuances of the corporation (3) Right to information (4) Right to receive dividends and (5) Appraisal right.

(c) How often does the Board review and approve the vision and mission?
The Board annually reviews the company's vision and mission if it remains consistent with the company's objectives and Corporate Charter.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group[2]

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

[1] Reckoned from the election immediately following January 2, 2012.
[2] The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Koji Takatori	*Panasonic Asia Pacific Pte. Ltd.,*	*Non-Executive*
Eiji Fukumori	*Panasonic Asia Pacific Pte, Ltd*	*Non-Executive*
Hiroyuki Tagishi	*Panasonic Asia Pacific Pte. Ltd.*	*Non-Executive*

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:
None. All our directors do not have either directorship responsibility or relationship with other listed companies that may have impact on PMPC's governance policy and procedures.

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

All of our directors do not have relationship which links them to significant shareholders in the company and/or in its group.

Director's Name	Name of the Significant Shareholder	Description of the relationship

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:
The Board have adopted the five (5) directorship limiting guideline in other companies. The guidelines are stipulated in the Manual on Corporate Governance that is being followed by the nominating committee. Most of the local directors are directors of PMPC only while resident Japanese directors hold at most two (2) directorships (usually affiliates).

A director is also required to notify his/her incumbent Board before accepting a directorship in another company. This is for the Board to be able to assess if his/her present responsibilities and commitment to the company will be affected and if the director can still adequately provide what is expected of him/her.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director		5
Non-Executive Director		5
CEO		2

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Koji Takatori	*1*	-	*NIL*
Shinichi Hayashi	*1*	-	*NIL*
Masaru Toyota	*1*	-	*NIL*
Hiroshi Yamada	*1*	-	*NIL*
Yoshiyuki Takahashi	*1*	-	*NIL*
Eiji Fukumori	*1*	-	*NIL*
Hiroyuki Tagishi	*1*	-	*NIL*
Emiliano Volante	*9,879*	-	*NIL*
Elizabeth Gildore	*1,000*	-	*NIL*
TOTAL	***10,886***		

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes [ ] No [X]

Identify the Chair and CEO:

Chairman of the Board	*Shinichi Hayashi*
CEO/President	*Shinichi Hayashi*

The role of the Chairman of the Board and CEO/President are performed by one person. However, the role of each position is separately specified in the Company's Manual on Corporate Governance.

As a measure to ensure objectivity, check and balance on the Board, a lead director from the ranks of independent directors is planned to be created. The Board pre-selected the Chairman of the Audit Committee as the Board lead director pending the final resolution from the Board. The role of the lead director is also specified in the Company's Manual on Corporate Governance.

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	*Presides over meeting of the Board*	*General supervision of the business, affairs, property of the company*
Accountabilities	*Provides strategic leadership to the Board, and to participate in Board decision-making.*	*Ensures that all orders and resolution of the Board are carried into effect including the company's strategic objectives.*
Deliverables	*Oversight over the company's strategic objectives*	*Submits to the Board and stockholder at the annual meeting, a complete report of the operations of the Company for the preceding year, and the state of its affairs.*

3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

PMPC has succession policy in place that establishes professional development program and succession planning for personnel who are qualified to be officers of the company. The objective of the succession plan is to ensure the orderly identification and selection of new CEO/Executive Officer in case the need arises, whether such opening exists by reason of an anticipated retirement, an unanticipated departure, increaser of in the number of officer or otherwise.

However, the approval of the Panasonic Parent Company in Japan is required for the position of CEO/President, and Japanese directors to be assigned at PMPC. The company's policy on succession planning includes among others identifying prospective personnel who shall be part the pool of personnel that will undergo the professional development program both local and abroad. These personnel are intended to be groomed as part of executive management in the future when the need arises.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

PMPC has written policy and procedures on board diversity policy that are currently in place. PMPC recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Board includes and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences are considered in determining the optimum composition of the Board. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board has female independent director with appropriate qualification and skills on board.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

All incumbent non-executive and independent directors have served PMPC and/or other Panasonic affiliated companies for many years. Even the independent directors have previously served as finance managers/consultant of PMPC.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	**Non-Executive**	**Independent Director**
Role	*Direct and active management of the business of the Company. See that all orders and resolution of the Board are carried into effect.*	*Participate in the Board Decision making. Provide professional advice on matters of significant importance.*	• *Assist the Board in fulfilling its corporate governance responsibilities.* • *Oversee the assessment of Internal Control over Governance, Risk Management and Operation. Provide objective and independent judgment/opinion on all matters which require Board resolution.*
Accountabilities	*Accountable to the Board and stockholders re execution of Board resolution, strategies and business result.*	*Accountable to the Board Stockholders re all resolution and decisions made.*	*Accountable to the Board and Stockholders re all resolution and decisions made.*
Deliverables	*Submit to the Board after the close of each fiscal year and to the Stockholder at the annual meeting, a complete*	• *Ensure there is strong and efficient Governance system in place.*	• *Report the state of the Company's Internal Control System over the Company's governance process, risk*

	Executive	Non-Executive	Independent Director
	report of the operations of the Company for the preceding year, and the state of its affair.	• *Report to the stockholders the state of its governance affairs and the result of business operation*	*management and operation.* • *Recommend Internal and external auditors to the Board and stockholders.* • *Review the audit and non-audit fees of external auditor.*

Provide the company's definition of "independence" and describe the company's compliance to the definition.

"Independence" shall mean a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Both of PMPC's amended by-laws and manual on corporate governance include the definition of independence. PMPC Independent Directors annually sign the SEC's certification of independent director.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Board's independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	*Nomination Committee/ Stockholders*	Qualifications/Experience/Past Performance/Manual on Corporate Governance
(ii) Non-Executive Directors	*Nomination Committee/ Stockholders*	Qualifications/Experience/Past Performance/Manual on Corporate Governance
(iii) Independent Directors	*Nomination Committee/ Stockholders*	Qualifications/Experience/Past Performance/ Manual on Corporate Governance
b. Re-appointment		
(i) Executive Directors	*Nomination Committee/*	Performance/Deliverables based on Charter/Manual on

	Stockholders	Corporate Governance.
(ii) Non-Executive Directors	*Nomination Committee/ Stockholders*	Performance/Deliverables based on Charter/Manual on Corporate Governance.
(iii) Independent Directors	*Nomination Committee/ Stockholders*	Performance/Deliverables based on Charter/Manual on Corporate Governance.
c. Permanent Disqualification		
(i) Executive Directors	*SEC Code of Corporate Governance. By-laws*	• *Convicted judicially of an offense involving moral turpitude or fraudulent act or transgression* • *Willful violation of SEC Code and Corporate Code.* • *Judicially declared to be insolvent* • *Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years.*
(ii) Non-Executive Directors	*SEC Code of Corporate Governance. By-laws*	• *Convicted judicially of an offense involving moral turpitude or fraudulent act or transgression* • *Willful violation of SEC Code and Corporate Code.* • *Judicially declared to be insolvent* • *Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years.*
(iii) Independent Directors	*SEC Code of Corporate Governance. By-laws*	• *Convicted judicially of an offense involving moral turpitude or fraudulent act or transgression* • *Willful violation of SEC Code and Corporate Code.* • *Judicially declared to be insolvent* • *Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years.* • *Transaction with the company whether direct or indirect and whether material or immaterial other than his fees and shareholding in the course of his being an independent director.* • *Elected as independent director who becomes officer, employee or consultant of the same corporation.* • *An Independent Director who have served for nine 9 years which include the cooling period of two years.*
d. Temporary Disqualification		
(i) Executive Directors	*SEC Code of Corporate Governance*	• *Refusal to comply with the disclosure requirements of SEC Securities Regulation Code* • *Absence in more than fifty (50)% percent of all regular and special meetings of the Board* • *Dismissal or termination for cause as director of any corporation covered by the Code of Corporate Governance.* • *If any of the judgment orders cited in the grounds for permanent disqualification has not become final*
(ii) Non-Executive Directors	*SEC Code of Corporate Governance*	• *Refusal to comply with the disclosure requirements of SEC Securities Regulation Code* • *Absence in more than fifty (50)% percent of all regular and special meetings of the Board* • *Dismissal or termination for cause as director of any corporation covered by the Code of Corporate Governance.* • *If any of the judgment orders cited in the grounds for permanent disqualification has not become final*
(iii) Independent Directors	*SEC Code of Corporate Governance*	• *Absence in more than fifty (50)% percent of all regular and special meetings of the Board* • *Dismissal or termination for cause as director of any corporation covered by the Code of Corporate Governance.* • *If any of the judgment orders cited in the grounds for permanent disqualification has not become final*

		• *Beneficial equity ownership of independent director in the corp. and its subsidiaries and affiliates exceed two (2%) percent of subscribed capital stock.*
e. Removal		
(i) Executive Directors	*By-laws/Corporation Code/ Manual on SEC Code of Corporate Governance*	*Directors can be subjected to removal by resolution of the Board anytime, with or without cause, provided a majority of the Board shall vote in favor of thereof.*
(ii) Non-Executive Directors	*By-laws/Corporation Code/ Manual on SEC Code of Corporate Governance*	*Directors can be subjected to removal by resolution of the Board anytime, with or without cause, provided a majority of the Board shall vote in favor of thereof.*
(iii) Independent Directors	*By-laws/Corporation Code/ Manual on SEC Code of Corporate Governance*	*Directors can be subjected to removal by resolution of the Board anytime, with or without cause, provided a majority of the Board shall vote in favor of thereof.*
f. Re-instatement		
(i) Executive Directors	*Dependent on Parent Co.*	-
(ii) Non-Executive Directors	*Dependent on Parent Co.*	-
(iii) Independent Directors	*SEC Securities Regulation Code/Manual on Corporate Governance*	*Rei-instatement of independent director beyond nine years for is subjected to rigorous review, taking into account the need for progressive change in the Board to ensure an appropriate balance of skills and experience. However, the shareholders may, in exceptional cases, choose to re-elect an independent director who has served for nine years. In such instances, the Board must provide a meritorious justification for the re-election*
g. Suspension		
(i) Executive Directors	*Manual on Corporate Governance and Code of Conduct*	• *Violation of Manual on Corporate Governance and Code of Conduct*
(ii) Non-Executive Directors	*Manual on Corporate Governance and Code of Conduct*	• *Violation of Manual on Corporate Governance and Code of Conduct*
(iii) Independent Directors	*SEC Securities Regulation Code/Manual on Corporate Governance*	• *Beneficial ownership exceeds 2% of subscribed capital stock of the company or any of the company's subsidiaries or affiliates.* • *Business transaction with the Company whether direct or indirect*

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Koji Takatori	*Unanimous*
Shinichi Hayashi	*Unanimous*
Masaru Toyota	*Unanimous*
Hiroshi Yamada	*Unanimous*
Yoshiyuki Takahashi	*Unanimous*
Eiji Fukumori	*Unanimous*
Hiroyuki Tagishi	*Unanimous*
Emiliano Volante	*Unanimous*
Elizabeth Gildore	*Unanimous*

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

PMPC sponsored a seminar on Corporate Governance for all new and existing directors and officers. In addition, a copy of the Company's Manual on Corporate Governance is provided to every new director or officer assigned at PMPC. In addition, executive directors attended an in-house management continuing management educational program usually initiated and facilitated by the Panasonic Head Office in Japan.

For newly elected directors, they were appraised by the Corporate Governance Committee on corporate governance matters and a copy of the Company's Manual on Corporate Governance were provided to each Japanese director. The company scheduled an orientation program for the newly elected director to be conducted by duly accredited third party service provider that specializes on corporate governance orientation program.

(b) State any in-house training and external courses attended by Directors and Senior Management[3] for the past three (3) years:

PMPC Directors and officers attended the Corporate Governance Seminar. However, newly assigned or elected Japanese directors are schedule to attend an orientation seminar on corporate governance.

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Koji Takatori			
Shinichi Hayashi			
Hiroshi Yamada	*September 18,2014*	*Corporate Governance*	*SGV & CO*
Masaru Toyota	*September 18,2014*	*Corporate Governance*	*SGV & Co.*
Yoshiyuki Takahashi	-	-	-
Eiji Fukumori	-	-	-
Atty. Mondragon	*September 18, 2014*	*Corporate Governance*	*SGV & Co.*
Elizabeth Gidlore	*July 9, 2015*	*Corporate Governance*	*SGV & Co.*
Emiliano Volante	*September 18,2014*	*Corporate Governance*	*SGV & Co.*
Hiroyuki Tagishi	-		

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	*Duty to disclose existing or potential financial and business interest. Audit Committee*	*Duty to disclose existing or potential financial and business interest. Audit Committee*	*Duty to disclose existing or potential financial and business interest to his superior.*

[3] Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	determines possible conflict of interest.	*determines possible conflict of interest*	*Manager who abets and condones conflict of interest is subject to termination.*
(b) Conduct of Business and Fair Dealings	*Mandatory compliance to conduct fair business dealings*	*Mandatory compliance to conduct fair business dealings*	*Mandatory compliance to conduct fair business dealings*
(c) Receipt of gifts from third parties	*Material gift from third parties not allowed to avoid perceived and potential conflict of interest.*	*Material gift from third parties not allowed to avoid perceived and potential conflict of interest.*	*Material gift from third parties not allowed to avoid perceived and potential conflict of interest.*
(d) Compliance with Laws & Regulations	*Oversee the company's compliance with relevant laws and regulation*	*Ensure compliance with relevant laws and regulations*	*Strict observe compliance with relevant laws and regulations.*
(e) Respect for Trade Secrets/Use of Non-public Information	*Information received from third parties is treated with utmost confidentiality and protected. Strictly confidential and confidential information are protected from non-user of the information. Personal Information protected. Non-public info strictly enforced using insider trading policy.*	*Information received from third parties is treated with utmost confidentiality and protected. Strictly confidential and confidential information are protected from non-user of the information. Personal Information protected. Non-public info strictly enforced using insider trading policy.*	*Information received from third parties is treated with utmost confidentiality and protected. Strictly confidential and confidential information are protected from non-user of the information. Personal Information protected. Non-public info strictly enforced using insider trading policy.*
(f) Use of Company Funds, Assets and Information	*Oversee that the Use of company fund, assets and info. is strictly for business purposes only to create value for stakeholders. Strictly confidential and confidential information are protected from non-user of the information.*	*Ensure that the use of company fund, assets and info. is strictly for business purposes only to create value for stakeholders. Strictly confidential and confidential information are protected from non-user of the information.*	*Use of company fund, assets and info. is strictly for business purposes only to create value for stakeholders. Strictly confidential and confidential information are protected from non-user of the information. Employees is bound not disclose to third parties any confidential information learned while performing their services, including trade secrets, without permission of the Company.*
(g) Employment & Labor Laws & Policies	*Oversee the following employees relation:* • *Equal employment opportunity right.* • *Committed to human resource development* • *Upholds Respect Human Rights* • *Compliance with local labor laws and policies*	*Ensure the following employees relation:* • *Equal employment opportunity right.* • *Committed to human resource development* • *Upholds Respect Human Rights* • *Compliance with local labor laws and policies*	*Employee should follow policies related to the following:* • *Human resource development* • *Respect Human Rights* • *Compliance with local labor laws and policies*
(h) Disciplinary action	*Directors are subject to Corporate Governance rules and regulation and Code of Conduct*	*Management is subject to Corporate Governance rules and regulation and Code of Conduct*	*Employee is subject to Corporate Governance rules and regulation and Code of Conduct*
(i) Whistle Blower	*Oversee that a whistleblower policy is in place and working effectively as intended. Directors are covered under the whistleblower policy.*	*Ensure that whistleblower system is in place. Ensure that an employee is not to be subjected to retaliation either from management or any personnel. Senior management is also subjected to the whistleblower policy.*	*Every employee is covered under the whistleblower policy. Employees, who whistle blow and acting in good faith are protected from retaliation from management or from any personnel*
(j) Conflict Resolution	Oversee the development of a complaints management framework which includes policy and a set of procedures	Ensure the development of a complaints management framework which includes policy and a set of procedures	Execution of the complaints management framework which includes policy and a set of procedures that have

	that have confirmed by the Board.	that have confirmed by its Executive Board.	confirmed by its management. All business units are required to develop and maintain a Complaints Management System (CMS).

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes. Every newly appointed director, senior management and employee are oriented with the Company's Code of Conduct through the Company's Human Resource Department (HRD). The company's Code of Conduct is available in the company's website for the easy access and information of PMPC employees.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

PMPC's Code of Conduct is disseminated during pre-employment orientation, along with the distribution of code of ethics booklet, and finally, a self-assessment survey is conducted by affiliated company to determine level of compliance. The company's Code of Conduct is also readily available through the company's e-library which can be readily accessed by all employees anytime during business hours. Updates on Code of Conduct are periodically facilitated by HRD.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	*Separate Disclosure. Requires the approval of the Treasury and Executive Director. Audit Committee is also required to review material related party transaction to determine if it is in the best interest of the company. PMPC discloses its of significant related transaction in accordance with PAS No. 24*
(2) Joint Ventures	*Separate Disclosure. Requires the approval of the Treasury and Executive Director. Audit Committee is required to review material related party transaction to determine if it is in the best interest of the company. PMPC discloses its of significant related transaction in accordance with PAS No. 24*
(3) Subsidiaries	*Separate Disclosure. Requires the approval of the Treasury and Executive Director. Audit Committee is required to review material related party transaction to determine if it is in the best interest of the company. PMPC discloses its of significant related transaction in accordance with PAS No. 24*
(4) Entities Under Common Control	*Separate Disclosure. Requires the approval of the Treasury and Executive Director. Audit Committee is required to review material related party transaction to determine if it is in the best interest of the company. PMPC discloses its of significant related transaction in accordance with PAS No. 24*
(5) Substantial Stockholders	*Not allowed due to possible conflict of interest.*
(6) Officers including spouse/children/siblings/parents	*PMPC officers are not allowed to do business with PMPC either directly or indirectly.* *PMPC shall disclose key management personnel compensation in total and for each of the following categories:* • *Short-term employee benefits* • *Post-employment benefits* • *Other long-term benefits* • *Termination benefits* • *Share-based payments*

(7) Directors including spouse/children/siblings/parents	*PMPC has a policy which requires directors to inform the Board about their business, financial and other interest. Director is not allowed to conduct business with PMPC whether direct or indirect. This rule extends to relatives up to 4th degree consanguinity or affinity.*
(8) Interlocking director relationship of Board of Directors	*PMPC has a policy which requires board members to abstain from participating in the Board discussion on a particular agenda when they are conflicted.*

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	*None*
Name of Officer/s	*None*
Name of Significant Shareholders	*None*

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.
PMPC has policies on Conflict of Interest, Related Party Transaction and Insider Trading in place that determine and resolve any possible conflict of interest between the PMPC and Directors. Recently, it has also adopted the newly enacted law on Transfer Pricing to ensure that transactions between the company and its group are purely in arms-length.

	Directors/Officers/Significant Shareholders
Company	• *If a director has an interest in a matter under consideration by the board, the director is not allowed to participate in those discussions and the board follows any further appropriate processes.* • *Audit Committee Review related party transaction independently* • *Disclosure of all related party transactions in the Company's Annual Financial Statement and/or Report.* • *PMPC Independent Directors annually sign the SEC's certification of independent director.* • *Disclosure of beneficial ownership by directors and officers* • *Adoption of Accounting Standards on Related Party Transaction (PAS) No. 24.* • *Shareholders have the rights of action and remedies which are readily accessible in order to redress the conduct of a company which treats them inequitably. Minority shareholders are afforded with protection and remedies against abusive or oppressive conduct*
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,[4] commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:
None.

Names of Related Significant Shareholders	**Type of Relationship**	**Brief Description of the Relationship**

[4] Family relationship up to the fourth civil degree either by consanguinity or affinity.

(b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:
None.

Names of Related Significant Shareholders	Type of Relationship	Brief Description

(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:
None.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	*The Finance Officer, Compliance and Corporate Secretary are the personnel in-charge with respective dispute resolution. PMPC uses its Conflict Resolution Policy as a guideline to resolve conflicts.*
Corporation & Third Parties	*The Finance Officer, Compliance and Corporate Secretary are the personnel in-charge with respective dispute resolution. PMPC uses its Conflict Resolution Policy as a guideline to resolve conflicts.*
Corporation & Regulatory Authorities	*The Finance Officer, Compliance and Corporate Secretary are the personnel in-charge with respective dispute resolution. PMPC uses its Conflict Resolution Policy as a guidelines to resolve conflicts.*

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?
Yes.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the Fiscal Year Apr. 1, 2016 to Mar. 31 2017	No. of Meetings Attended	%
Chairman	Shinichi Hayashi	June 17, 2016	14	14	100%
Vice Chairman	Y0shiyuki Takahashi	June 17, 2016	14	14	100%
Member	Hiroshi Yamada	June 17,2016	14	14	100%
Member	Masaru Toyota	June 17,2016	14	14	100%

Board	Name	Date of Election	No. of Meetings Held during the Fiscal Year Apr. 1, 2016 to Mar. 31 2017	No. of Meetings Attended	%
Member	Hiroyuki Tagishi	June 17, 2016	14	14	100%
Member	Koji Takatori	June 17,2016	14	14	100%
Member	Eiji Fukumori	June 17,2016	14	14	100%
Independent	Elizabeth Gildore	June 17, 2016	14	14	100%
Independent	Emiliano Volante	June 17, 2016	14	14	100%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?
Yes. Non-executive and/or independent directors met five (5) times in FY 2016.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.
Yes. The majority of the directors shall constitute a quorum for the transactions of the business at any meeting, but a less number may be adjourned any meeting from time to time and the meeting may be held as adjourned without further notice. The resolution at any meeting of the Board of Directors shall always require an affirmative vote of at least majority of the quorum dully assembled as the Board.

5) Access to Information

(a) How many days in advance are board papers[5] for board of directors meetings provided to the board?
Two (2) days before the Board meeting

(b) Do board members have independent access to Management and the Corporate Secretary?
Board members have independent and full access to Management and the Corporate Secretary as provided for by the Company's Manual on Corporate Governance. Management is bound and/or required to submit to the Board any report or information which the latter may require. The Audit Committee reports to PMPC once a week to meet the Internal Audit and the management, if necessary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc.? Yes.

(i.) *Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;*
(ii.) *Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;*
(iii.) *Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;*
(iv.) *Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;*
(v.) *Advises on the establishment of board committees and their terms of reference;*
(vi.) *Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;*
(vii.) *Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;*
(viii.) *Performs required administrative functions;*
(ix.) *Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and*
(x.) *Performs such other duties and responsibilities as may be provided by the SEC.*

[5] Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.
Yes. The Company's duly appointed Corporate Secretary is a lawyer specializing in BIR and SEC rules and regulations. He has been a corporate secretary of the Company since 1975.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes [X] No [ ]

Committee	Details of the procedures
Executive	*PMPC's manual on corporate governance has a provision that requires management to provide information to the Executive Committee before the scheduled meeting in order for the latter to have an understanding of issue and formulate intelligent question. The Corporate Secretary prepares the Board meeting agenda and disseminate before the scheduled Board Meeting.*
Audit	*The Audit Committee receives information from the Head of the Internal Audit with respect to Internal Audit issues at least one (1) week before the scheduled Board Meeting. The Corporate Secretary prepares the Board meeting agenda and disseminate before the scheduled Board Meeting.*
Nomination	*PMPC's manual on corporate governance has a provision that requires management to provide information to the Nomination Committee before the scheduled meeting in order for the latter to have an understanding of issue and formulate intelligent question. The said committee may also seek external advice to obtain relevant information relation to matter that needs to be resolved.*
Remuneration	*PMPC's manual on corporate governance has a provision that requires management to provide information to the Remuneration Committee before the scheduled meeting in order for the latter to have an understanding of issue and formulate intelligent question. The said committee may also seek external advice to obtain relevant information relation to matter that needs to be resolved.*
Others (specify)	

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:
PMPC's Manual on Corporate Governance has provision that allow directors to seek external advice on matters that need specific or specialized skills. However, specific procedures are yet to be established.

Procedures	Details

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

There were no changes introduced by the Board of Directors on existing policies that may have significant impact on the Company's business during Fiscal Year 2016. Except for the adoption of various corporate governance policies to comply with the SEC's Code of Corporate Governance and to improve the governance processes of the Board.

Existing Policies	Changes	Reason

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers: *The remuneration of CEO and the Top 4 management is basically set by the Panasonic Corp in Japan. The Company has no standard arrangement regarding the remuneration of its existing directors and officers aside from the compensation herein stated.*

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Remuneration of CEO is set in Japan Head Office	Remuneration of Japanese Officers are set in Japan Head Office
(2) Variable remuneration	-do-	-do-
(3) Per diem allowance	-do-	-do-
(4) Bonus	-do-	-do-
(5) Stock Options and other financial instruments	-do-	-do-
(6) Others (specify)	-	-

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

The Company has no standard arrangement regarding the remuneration of its existing directors and officers aside from the compensation herein stated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors			
Non-Executive Directors			

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years. *YES.*

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	**35.8 Million**		
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses	**7.1Million**		
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)	**1.2 million**		
Total	**44.1 Million**		

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances			
2) Credit granted			
3) Pension Plan/s Contributions			
(d) Pension Plans, Obligations incurred			
(e) Life Insurance Premium			
(f) Hospitalization Plan			
(g) Car Plan			
(h) Others (Specify)			
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to

stock rights, options or warrants over the company's shares:
None. The Company has not granted any warrant or options to any of its Directors or Executive Officers.

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Option/Rights/ Warrants	Number of Equivalent Shares	Total % from Capital Stock

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:
There were no amendments of incentive programs during the last fiscal year 2016.

Incentive Program	Amendments	Date of Stockholders' Approval

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year: *None. Members of the management are executive directors as well.*

Name of Officer/Position	Total Remuneration

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	4			With Approved Charter	Exercises all the powers of the Board in the management and direction of	• Serve as the operating arm of the Board in all matters relating to corporate	Execute all resolution and direction of the Board.

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
					the affairs of the company	governance • May approve all major policies and oversees all major risk taking activities on a more detailed basis.	
Audit	**1**		**2**	With Approved Charter	Monitors and evaluates the adequacy and effectiveness of the Company's internal control system	Provide oversight on the overall management of operating risks, financial reporting and control, internal audit and external auditors, quality compliance with the corporate governance manual.	Power to create internal Audit Dept., appointment and removal of Internal Audit Head.
Corporate Governance	**1**		**2**	With Approved Charter	Oversee the company's compliance on Corporate Governance matters.	1. Review the company's Manual of Corporate Governance. 2.Recommend any changes that are designed to: a. Ensure stockholders' right are maintained and secured; b. Ensure timely and effective communication with stockholders; c. Make the policies consistent with PMPC's core values; d. Promote good governance that would continue to be part of PMPC's culture; 3. Advise the Board on the company's public reporting of information on Corporate Governance practices and issues with regulatory agencies.	Approve proposed policies on Corporate Governance. Review/assess the Board Governance Performance. Review Related Party Transaction. Assess the performance of the Board.
Nomination	**1**		**2**	With Approved Charter	Ensure that the Board is made up of individuals of proven integrity and competence.	Reviews and evaluates the qualifications of all persons nominated to position in the Co. which require the appointment of the Board.	Set and approved the required qualification of directors and officers.

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Remuneration	1		2	With Approved Charter	Ensure that the compensation of the Board is at par with the best company in order to retain the services of director and officer of the Co.	Evaluate and recommend compensation package of director and officer.	Approved the compensation package of directors and officers of the Co.
Risk Mgt.	1		2	With Approved Charter	Oversee the risk management process of the Co. to ensure that all relevant risks affecting the Co. are taken into consideration and addressed	Nurture a culture of risk management across the enterprise, proposes guidelines and reviews on a regular basis, risk management structures, limits, issues and measurement across the Company to meet and comply with regulatory and international standards on risk measurement and management	Approved the Company's Risk Appetite. Oversee the result of the Annual Risk Assessment.

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Shinichi Hayashi	June 17, 2016	4	4	100%	I yr.
Member (ED)	Hiroshi Yamada	June 17, 2016	4	4	100%	2 yr.
Member (ED)	Masaru Toyota	June 17, 2016	4	4	100%	3.1 yrs.
Member (ED)	Yoshiyuki Takahashi	June 17, 2016	4	4	100%	2 yrs.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Emiliano Volante	June 17, 2016	5	5	100%	2 yrs.
Member (ED)	Yoshiyuki Takahashi	June 17, 2016	5	5	100%	2 yrs.
Member (ID)	Elizabeth Gildore	June 17, 2016	5	5	100%	2 yrs.

Disclose the profile or qualifications of the Audit Committee members.

The Chairman of the Audit Committee is a formerly head of PMPC Finance Department. Other two Audit Committee members have financial management background as well. The female independent director is formerly the Head of Finance of Sales Division of the Company. The profile and qualification of Audit Committee

members are also duly and fully disclosed in the Company's annual report.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee oversees the external auditor's scope and activities relative to the annual financial statement audit. It also reviews the annual audited financial statement before its presentation to the Board for approval. The approval of audit and non-audit related fees are reviewed and approved by the Audit Committee. Recently, the Audit Committee adopted a policy on Assessment of Suitability and Independence of External Auditor Policy and Procedures. The objective of the policy is to assess the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Yoshiyuki Takahashi	June 17, 2016	4	4	100%	2 yrs.
Member (ID)	Emiliano Volante	June 17, 2016	4	4	100%	2 yrs.
Member (ID)	Elizabeth Gildore	June 17, 2016	4	4	100%	2 yrs.

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Yoshiyuki Takahashi	June 17, 2016	3	3	100%	2 yrs.
Member (ID)	Elizabeth Gildore	June 17, 2016	3	3	100%	2 yrs.
Member (ID)	Emiliano Volante	June 17, 2016	3	3	100%	2 yrs.
Member						

(e) Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Yoshiyuki Takahashi	June 17, 2016	5	5	100%	2 yrs.
Member (ID)	Elizabeth Gildore	June 17, 2016	5	5	100%	2 yrs.
Member (ID)	Emiliano Volante	June 17, 2016	5	5	100%	2 yrs.

(f) Corporate Governance Committee

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Emiliano Volante	June 17, 2016	5	5	100%	2 yrs.
Member (ED)	Yoshiyuki Takahashi	June 17, 2016	5	5	100%	2 yrs.

Member (ID)	Elizabeth Gildore	June 17, 2016	5	5	100%	2 yrs.

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:
There were no changes in the committee membership occurred during the preceding year.

Name of Committee	Name	Reason
Executive		
Audit		
Nomination		
Remuneration		
Risk Management		
Corporate Governance		
Others (specify)		

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	• Machinery, Equipment, Moulds, Dies and Factory Structures • Adoption of System Application Product (SAP) System to replace the old BAAN System • Solar Panel Installation • Construction of Multi-Purpose Facility. • Construction of Logistic Facility	• Increased in production capacity • Significantly improved efficiency and generation of required and critical reports. Integration of various function and increase coordination. • Savings in Factory Electricity • Increased in warehousing capacity • Increased logistic capacity
Audit	• Reviewed and/or assessed the company internal control over financial reporting, governance process, risk management and operation. • Proposed Corporate Govt policies • Reviewed various proposed policies on Corporate Governance.	• Improvement of Corporate Governance Processes. • Various improvements on internal control over financial reporting, governance process, risk management and operation.
Corporate Governance	• Assessed the Governance Process • Adoption of ASEAN Corporate Governance • Adoption of various Corporate Governance Policies • Reviewed and approved of various Governance Policies and Procedures	• Compliance with Code of Corporate Governance for Public Listed Companies • Compliance with ASEAN Scorecard • Implementation of various governance policies
Nomination	• Finalized the list of recommended directors and officers for 2016 stockholders' meeting.	• List of directors and officers • Implementation of Succession Planning and Procedures

	• Adoption of Succession Planning Policy and Procedures • Adoption of Board Diversity Policy	• Implementation of Board Diversity Policy
Remuneration	• Review and update the compensation program for directors and executive management	• Updated Compensation Program
Risk Management	• Annual Risk Assessment • Overseeing of Risk Management Process • Monitor the status of the Company's significant risk	• Compliance Risk • Business Continuity Risk • Disaster Recovery Plan Risk • Operational Risk • Health and Safety Risk

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	• Improve the content of Annual Report to include the best practices in Corporate Governance. • Annual Schedule of Board Meeting • Assignment of Lead Director	• Disclosure of best practices in Corporate Governance. • Preparation of Annual Scheduled Board Meeting • Strengthen the objectivity, check and balance in the board
Audit	• Annual Audit Committee Report. • Audit Committee Meetings	• Disclose the status of the Company's Internal Control system in the Company's Annual Report • Disclosure of Audit Committee Meetings.
Nomination	• Attendance of Director during Board Meeting. • Training and/or continuing education program attended by directors. • Orientation program for new directors • Nominating Committee Meetings	• Disclosure of list Directors attendance during Board Meetings. • Disclosure of training and continuing education program attended by directors • Disclosure of orientation program for new directors. • Disclosure of Nominating Committee Meetings
Remuneration	• Details of remuneration package for each director and officer • Remuneration Committee Meetings.	• Disclosure details of remuneration package for each director and officer. • Disclosure of Remuneration Committee Meetings
Risk Management	• Review of company's material control.	Disclose in the annual report that the Board has conducted a review of the Company's material control
Corporate Governance	• Full implementation of Code of Corporate Governance for Public Companies. • Adoption of Global Best in Non-financial disclosure	• Corporate Governance Compliance.

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The company recognizes risks are associated with achieving value-based objectives. Managing these risks forms

an essential part of PMPC's business. The aim of risk management with PMPC is to provide reasonable assurance that it understand the risks associated with achieving its business objectives and it responds appropriately to these risks at all levels within the organization. This is achieved by ensuring that at all times:

- *Risks are properly identified, assessed, managed and reported;*
- *Risk ownership is taken and communicated;*
- *Resources are effectively and efficiently allocated to manage risks;*
- *Risks that could significantly affect our employees, the company, our suppliers or our clients are suitably managed;*
- *The company is compliant with regulatory and legal requirements.*

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof*; None. No statement was included that the directors have reviewed the effectiveness of the Company's risk management system.*

(c) Period covered by the review; *None*

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; *PMPC Risk Management System is reviewed at least once a year.*

(e) Where no review was conducted during the year, an explanation why not.
In accordance with SEC's program to improve the corporate governance practices of public listed company, beginning fiscal year 2017 the company shall include in the annual report and other SEC reports a statement that the company's directors have reviewed the effectiveness and adequacy of the risk management system and an explanation why it failed to review the same.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Employee Safety and Management	• *Ensure employee safety Plan and management*	• *To eliminate and/or reduce injury or death related manufacturing operations.*
Business Continuity Management	• *Resumption and Recovery Plans for People Assets* • *Resumption and Recovery Plans for Facilities and Office Space* • *IT Systems Resumption and Recovery Plans*	• *To ensure emergency response, resumption and recovery, restoration and permanent recovery of the Company operations and business activities during a business interruption event.*
Supply Chain Management (SCM)	• *Effective and efficient Sales and Operation Planning should be in place to ensure resource maximization and customer satisfaction.* • *Ensure operational continuity and less interruption along the supply chain.*	• *Minimize business interruption along supply chain* • *Ensure availability of raw materials and customer product at the right place and right time.* • *Maximize Company Resources*
Compliance with Laws and Regulation	• *Compliance with all related laws rules and regulation to avoid unnecessary penalty and/or sanction.* • *Compliance with the new Accounting Standards and Tax Law*	• *Ensure compliance with Laws and Implementing Rules and Regulations* • *Ensure immediate adoption of new Accounting Standard and Tax Law and Regulations*

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Quality Problems/Accident	• *Ensure the safety of consumers* • *Minimize quality problems and market claims brought about by defective products.* • *Minimize the company's legal exposure brought about by defective products.* • *Strictly implementation of quality corrective and preventive action plan and procedure.*	• *To ensure quick response and apply proper disposition to quality abnormalities/market quality risk problems* • *To establish accurate quality information for continuous improvement of market quality, parts/product and recurrence prevention.*
Trade Secret Breach	• *To safeguard confidential information of commercial value against accidental, inadvertent or willful misappropriation, misuse, sabotage, loss or theft.*	• *To ensure that the company's competitive trade secrets are protected from competitors, and unauthorized access by third party*
Cartels	• *To prevent company from possible involvement cartel and its related activities.* • *To prevent company from possible legal exposure as a resulting from cartel related activities.*	• *To prevent company involvement from cartel related activities and to ensure compliance with local laws*
Supply Chain Management /Supply Chain Disruption	• *Effective and efficient Sales and Operation Planning should be in place to ensure resource maximization and customer satisfaction.* • *Ensure operational continuity and less interruption along the supply chain.*	• *Minimize business interruption along supply chain* • *Ensure availability of raw materials and customer product at the right place and right time.* • *Maximize Company Resources*
Information Security Risks	• *The company's information assets contain mechanisms to ensure the confidentiality, integrity and availability of resources owned and controlled by PMPC. These controls must protect the enterprise's information assets, and the business processes they support, against unauthorized use, disclosure, transfer, modifications or destruction, whether accidental or intentional, or the denial of availability of these assets or business processes to authorized users.*	• *Tot establishes the policies that institute the standards and procedures that are to be followed to assure that PMPC's information assets and resources, both technological and not, are appropriately protected when authorizing the access to networked information, assets and systems.*
Business Continuity Management	• *Resumption and Recovery Plans for People Assets* • *Resumption and Recovery Plans for Facilities and Office Space* • *IT Systems Resumption and Recovery Plans*	• *To ensure emergency response, resumption and recovery, restoration and permanent recovery of the Company operations and business activities during a business interruption event.*

Natural Disasters	• *Minimize the impact of natural disaster to company's operation, property and possible casualty to company's personnel.* • *Resumption and Recovery Plans for People Assets* • *Resumption and Recovery Plans for Facilities and Office Space* • *IT Systems Resumption and Recovery Plans*	• *To minimize the impact of natural disaster on the organization operation* • *To ensure the company's readiness when natural disaster strikes* • *Ensure the safety and well-being of company personnel during natural calamities.* • *Resumption of company's operation*

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
a.) Transfer pricing
b.) Capital allocation
c.) Corporate actions
d.) Significant transfer and disposal of company's asset
e.) Related Party Transactions that are not arm's length

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Employee Safety and Management	Employee Health and Safety (EHS) as measurement and monitoring mechanism.	• New Employee Orientation and Training in place • Conducted assessments that address job task design / redesign, materials flow and employee efficiency. • Implemented a new employee orientation and training program. • Established a wellness-management program. • Implemented or improved your injury management programs. • Conducted employee perception surveys to better understand employees' perceptions on the impact of environmental, health and safety programs as a way to improve your operations • Internal Audit
Business Continuity Management	The Business Continuity Management Group (BCMG) and the Information Solutions Group (ISG) is responsible to the Business Continuity Management	• Developed Resumption and Recovery Plans for People Assets • Developed Resumption and Recovery Plans for Facilities and Office Space • Developed IT Systems Resumption and Recovery Plans • Internal Audit
Supply Chain Management	Management should preside during Sales and Operation Planning approval and review.	• Policy on Sales, Operation and Planning in place • Established Cross-functional and cross firm involvement using Supply Chain Mgt. Process

		• A Culture of Collaborative Sales & Operation Planning in place • Conducted Annual Assessment of the SCM • Internal Audit
Compliance with Laws and Regulation	The following Section should monitor compliance with laws and regulations: • Accounting and/or Finance. • Tax section • Compliance Officer • Factory • Environmental and Health and Safety Officers	• Policy on Accounting Standards and Tax Control in place • In house Compliance officer • Hired only qualified employee that understands related laws and regulation. • Attended seminars relative to new Accounting Standards, laws and regulations • Internal Audit

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Quality Problems/Accident	• *Annual Risk Assessment –Factory Process* • *Quality Assessment Center Group*	• *Policy on quality corrective and preventive action plan and procedure* • *Quality Control of Incoming Raw Materials* • *Quality Control of Finished Goods.* • *Factory Process defect monitoring* • *Implementation of supply chain management.*
Trade Secret Breach	• *Annual Risk Assessment - Information Technology* • *Information Security Risk Management Committee*	• *Full implementation of Information Security Management(ISM).* • *Physical Security* • *Biometrics* • *Information Technology Access and Security* • *Employee ad third party Non-disclosure Agreement*
Cartel	• *Risk assessment survey - Anti-cartel compliance program* • *Board oversight*	• *Anti- cartel compliance program* • *Integration of the anti-cartel compliance program into the compliance and ethics infrastructure so that it is not isolated.* • *Standards and policies designed to prevent and detect cartels. Standards include codes of conduct and organizational policies that incorporate values, such as commitment to free-market competition.*
Supply Chain Management /Supply Chain Disruption	• *Supply Chain Management Committee*	• *Supply Chain Management Policy* • *Sales and Operation Planning Procedures* •
Information Security Risks	• *Risk assessment – Information Security Management* • *Information Security Management Committee*	• *Information Security Management Policy* • *Physical Security* • *Use of Biometrics to access to safeguard access to restricted location* • *Security over Information Technology Resources.*

		• *Classification of Confidential Information.*
Business Continuity Management	• *Annual Risk Assessment* • *Risk Management Committee*	• *Business Continuity Management Policy and Procedures.* • *IT Disaster Recovery Plan* • *Emergency Response Plan* • *Annual failover testing of IT System*
Natural Disaster	• *Annual Risk Assessment* • *Assessment of Building and Structures* • *Risk Management Committee* • *Crisis Management Committee*	• *Emergency preparedness and response control procedure* • *Business Continuity Plan (BCM)* • *IT Disaster Recovery Plan*

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Risk Management Committee	*Board Risk Management Oversight Committee*	• *Manage Risk within Risk Appetite* • *Identify & Prioritize Business Risks* • *Evaluate the Effectiveness of Risk Mitigation Activities* • *Ensure Gaps in Effectiveness are Addressed for High Priority Risks* • *Improve Enterprise Risk Management ("ERM") Infrastructure* • *Annually review and provide statement on the overall status of the company's internal control system.*

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;
The Internal Control System is defined for the company using the COSO's Internal Control – Integrated Framework and Enterprise Risk Management Framework to address internal control related risk. COSO defines internal control as "a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations."

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
There was no statement disclosure that the directors reviewed the effectiveness of internal control system. However, the company has internal audit that performs the assessment of the Company's governance process, risk management and operation. The Internal Audit reports functionally with the Audit Committee.

(c) Period covered by the review. *The period covered by review is Fiscal Year 2016. However, there was no disclosure on the company's annual report or other SEC reports regarding the status of the company's internal control system.*

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
The Company's internal controls are primarily reviewed by the Company's Internal Auditors based on the Board

approved annual audit plan. The content of the annual audit plan includes the audit of internal control over financial statement preparation and reporting, governance, risk management and operation. The Audit Committee which oversees the company's Internal Audit quarterly reviews and reports annually to the Board on the overall status of the company's internal controls to ensure that it remain effective to achieve the objectives of the business units, system or operation. Both the Internal Audit and Audit Committee use the COSO's Internal Control – integrated framework and Sarbanes Oxley (SOX) to assess the internal control systems.

The Board's annual assessment of internal control considers:

- *the changes since the last annual assessment in the nature and extent of significant risks, and the company's ability to respond to changes in its business and the external environment;*
- *the scope and quality of management's ongoing monitoring of risks and of the system of internal control, and, where applicable, the work of its internal audit function and other providers of assurance;*
- *the extent and frequency of the communication of the results of the monitoring to the board (or board committee(s)) which enables it to build up a cumulative assessment of the state of control in the company and the effectiveness with which risk is being managed;*
- *the incidence of significant control failings or weaknesses that have been identified at anytime during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or condition; and*
- *the effectiveness of the company's public reporting processes.*

(e) Where no review was conducted during the year, an explanation why not.
In accordance with SEC's Code of Corporate Governance, PMPC shall fully disclose and state the reasons in the annual report and other SEC reports in the event the Board does not conduct a review the company's internal control system.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Internal Audit Section Manager	• *Corporate Governance* • *Internal Control over Financial Reporting* • *Accounting* • *Risk Management* • *Operations*	*In-house*	*Andrei R. Tibi*	*Report functionally to the Audit Committee and administratively to the CEO/President*

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

The appointment and removal of the Internal Auditor and External Auditor require the approval of the Audit Committee in accordance with Code of the Corporate Governance and other implementing rules and regulations of the SEC.

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Internal Audit reports functionally to the Audit Committee and administratively to the CEO/ President. It has full access to all records, properties and personnel as provided for by its Internal Audit Charter and Manual

on Corporate Governance.

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them. *There was no resignation and re-assignment of internal audit staff. The company shall disclose the reason/s in case of re-assignment or resignation of internal audit staff.*

Name of Audit Staff	Reason

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	Achieved 90% of Annual Audit Schedule and Activities
Issues[6]	Noted and rectified non-compliance with governmental agency
Findings[7]	Noted and addressed operational non-compliance established policies and procedures.
Examination Trends	Effective Sales and Operation Planning / Supply Chain Management

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

1) Preparation of an audit plan inclusive of a timeline and milestones;
2) Conduct of examination based on the plan;
3) Evaluation of the progress in the implementation of the plan;
4) Documentation of issues and findings as a result of the examination;
5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
6) Conduct of the foregoing procedures on a regular basis.]

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Manual on Corporate Governance	*Implemented*
Accounting Standard & Tax Control Policy	*Implemented*
Conflict of Interest Policy	*Implemented*
Related Party Transaction	*Implemented*
Insider Trading Policy	*Implemented*
Risk Management Policy	*Implemented*
Business Continuity Management (BCM)	*Implemented*
Disaster Recovery Plan (DRP)	*Implemented*
Audit Committee Charter	*Implemented*
Internal Audit Charter	*Implemented*
Nomination Committee Charter	*Implemented*
Remuneration Committee Charter	*Implemented*
Risk Management Committee Charter	*Implemented*
External Complaint and Resolution Policy	*Implemented*

[6] "Issues" are compliance matters that arise from adopting different interpretations.
[7] "Findings" are those with concrete basis under the company's policies and rules.

Fraud Statement Policy	*Implemented*
Stockholders' Meeting Policy & Procedures	*Implemented*
Assessment of Suitability and Independence of External Auditors Policy	*Implemented*
Board Committees Policy & Procedures	*Implemented*
Board Diversity Policy	*Implemented*
Fraud Response Plan	*For Approval*
Investor Relation Policy	*Implemented*
Disclosure Rule Policy & Procedures	*Implemented*
Board Succession Plan	*Implemented*
Board Corporate Governance Charter	*Implemented*
Emergency Executive Committee Charter	*For Approval*
Related Party Transaction Committee Charter	*For Approval*

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
• *Internal auditors report functionally to Audit Committee.* • *Audit Committee Assess the suitability and independence of External Auditors annually.*	*Audit Committee Review result of Financial Analysis Report*	*The Board reviews investment of Institutional Investors*	*Audit Committee reviews reports of Rating Agencies*
• *Meeting with Audit Committee without Management*			
Audit Committee Reviews Audited Financial Statement before final approval of the board and audit Fees.			
Limits on the non-audit services of external auditors. Non-audited related engagement of external auditor subject to Audit Committee review and approval			

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The following officers and directors attest to the Company's full compliance with SEC's Corporate Governance:

- *Chairman of the Board/ CEO*
- *Independent Directors*
- *Compliance Officer*

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	• Product Safety Policy • Restriction of Hazardous Substance (RoHs) • Product Recall Policy. • Conflict Resolution Policy	• Quality Assurance Control Group in place • Major market claims rectified and addressed • Customer Compliant hotline/section
Supplier/contractor selection practice	• Contractor and Supplier Review Policy	• Supplier Accreditation and Performance Review • Green Procurement • Clean Procurement • Supplier Association
Environmentally friendly value-chain	• Sustainability Policy	• Cost Buster Activities • Tree Planting on denuded mountain areas • Production of energy efficient Products • Use of energy efficient appliance inside the office • CO2 Emission Reduction Program & Activities
Community interaction	• Corporate Social Responsibility	• Home Building with Habitat for Humanity. • Donation of Panasonic Products to Humanitarian & Non-humanitarian Govt. Agencies. • Donation to Disaster Stricken Communities. • Sponsorship scholarship program of students
Anti-corruption programmes and procedures?	• Code of Conduct • Conflict of interest policy • Related Party Transaction Policy • Insider Trading Policy • Fraud Statement Policy • Whistleblower policy • Anti-money laundering Policy • Fraud Response Plan	• Seminars • Dissemination of policy • Whistleblower hotline • Disclosure of Related Party Transaction • Disclosure of Business Interest by Directors and Officers • Internal Auditing
Safeguarding creditors' rights	• Prompt payment of Creditors	• Online payments • E-Business

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?
YES. Environment, Health and Safety (EHS) of the report.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

1. *Annual Employee Medical Check-Up.*
2. *Provision of safe, Healthy and Environment Friendly Workplace.*
3. *Compliance to Government Regulations and other requirements.*
4. *Pollution, Accident and Incident Prevention.*
5. *Sustainable use of natural resources.*
6. *Management and Control of EHS hazards*
7. *Continuous improvement o EHS performance.*

(b) Show data relating to health, safety and welfare of its employees.

PMPC's Program on Safety and Health:

1. *Annual physical examination of all employees.*

2. *Annual Work environment and ambient air measurement*
3. *Annual audiometric and heavy metals in blood testing for workers exposed to noise and materials containing heavy metals.*
4. *Annual fire safety awareness*
5. *Annual sports competition*
6. *Unscheduled random drug testing*
7. *Monthly laboratory testing of drinking water*
8. *Daily Morning Exercise of all employees*
9. *Awareness seminar on different emergency situations for employees*
10. *EHS awareness and company policy orientation of contractors and suppliers*
11. *Regular plant safety inspection*
12. *Regular Meeting of Health & Safety Committee*
13. *Assessment of EHS Management System through internal and external audits*
14. *Corporate enhancement of production working areas.*

Annual Accident/Illness Exposure Data Report (January to December 2016)

Exposure Data	
No. of Employees	639
Total Hours Worked By All Employees During the Year	804,996
Injury Summary	
Total-All Disabling Injuries/Illness	0
Total-Non-Disabling Injuries	2
Frequency Rate	0.00
Severity Rate	0.00

(c) State the company's training and development programs for its employees. Show the data.

"The training and development programs at Panasonic Manufacturing Philippines Corporation (PMPC) are designed along with the basic objective of human resources, which is to develop people who anticipate and respond to the changes based on Panasonic's Management Philosophy (BBP), and take on challenges for creating new business by overcoming difficult and severe situations. Moreover, at PMPC, the aspirations of staff members are respected to maximize their capabilities so that all employees can achieve their own goals. Consequently, this will motivate employees in their life and work and create a strong organization which respects others so as to achieve the company goals. Thus, the importance to know, to develop, and to value and respect each employee is not only the responsibility of our HR Group, but a major responsibility of PMPC managers in each workplace as well.

In FY2016 (ending March 31, 2017), despite the inevitable changes in PMPC's organization responding to the needs of time, the Company was able to carry out and implement various training and development programs from orientation of new employees to providing post-Panasonic employment seminars to retirees. Within the fiscal year in review, the Company was able to implement 26 classroom seminars/workshops and 10 orientation programs catering to 517 PMPC employees. Likewise, the company was able to serve 172 public participants with its seminars offered to the general public. On the other hand, mentoring, coaching, and on-the-job training activities were carried out by every manager in the workplace with dedication and commitment."

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

The following are the company's reward and compensation policy in addition to short-term financial measures:

- *Christmas Bonus & Mid-Year Bonus*
- *Appreciation Bonus (if Business Plan is achieved)*
- *Discounted Panasonic Appliance*
- *Employee Appreciation Program*
- *External (Abroad)Training and Development Program*
- *Loyalty & Service Award*

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.
PMPC has whistleblower policy in place for handling complaints by employees concerning illegal (including corruption) and unethical behavior. Employee that may have legitimate information on illegal and unethical behavior is protected from retaliation from either from an employee or management. It has also policies on Conflict of Interest, Related Party Transaction and Fraud to compliment the whistleblower policy.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Panasonic Corporation (Japanese)	337,994,588	79.96 %	Various Owners

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Shinichi Hayashi	1	-	NIL
Hiroshi Yamada	1	-	NIL
Masaru Toyota	1	-	NIL
Yoshiyuki Takahashi	1	-	NIL
Atty. Mamerto Mondragon	85,360	-	.0202%
TOTAL	**85,549**		**.0202%**

2) Does the Annual Report disclose the following:

Key risks	YES
Corporate objectives	YES
Financial performance indicators	YES
Non-financial performance indicators	YES
Dividend policy	YES
Details of whistle-blowing policy	NO
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	YES
Training and/or continuing education program attended by each director/commissioner	NO
Number of board of directors/commissioners meetings held during the year	NO
Attendance details of each director/commissioner in respect of meetings held	NO
Details of remuneration of the CEO and each member of the board of directors/commissioners	NO

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

- *No regulation or the company has not adopted the above disclosure requirements. The company shall disclose the above mentioned items next annual report in FY 2017.*
- *The remunerations of CEO and each member of the Board of Directors are disclosed in aggregate amount only.*

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co. (SGV)	₱2 Million	None

4) Medium of Communication

List down the model/s of communication that the company is using for disseminating information.
The company uses the following medium of communication to disseminate information: Company Website, Interim Reporting, Newspaper, Registered Mail, Email, Telephone and Fax.

5) Date of release of audited financial report: *FY 2012 May 7, 2012 / FY 2013: May 29, 2014/FY 2014: May 2015, FY 2015: May 2016/ FY 2016: May 26, 2017*

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	*YES*
Financial statements/reports (current and prior years)	*YES*
Materials provided in briefings to analysts and media	*YES*
Shareholding structure	*YES*
Group corporate structure	*YES*
Downloadable annual report	*YES*
Notice of AGM and/or EGM	*YES*
Company's constitution (company's by-laws, memorandum and articles of association)	*YES*

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

The company shall disclose its Company's constitution (company's by-laws and article of incorporation) in its website.

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value
Purchases	Parent	Purchases of materials, merchandise and parts	26,917,170
Technical assistance fees	Parent	Related to technical assistance agreements with PC, non-interest bearing, payable semi-annually, Unsecured	117,537,813
Brand license fees	Parent	Related to trademark license agreements with PC ,non-interest bearing, payable semi-annually, Unsecured	36,502,094
Non-trade payables	Parent	Related Promo support	5,459,033
Non-trade payable	Parent	Related to receivable from PERC, non-interest bearing, unsecured	5,695,255
Accrued expense	Parent	Related to compensation and welfare expense of certain employees, payable quarterly, non-interest bearing, unsecured	43,703,026
	Parent	Related to communication expenses incurred, 30-day term, non-interest bearing, unsecured.	6,239,210

RPT	Relationship	Nature	Value
	Parent	Accrued expenses related to export sales of the ACD (e.g. sales promo, after sales service)	1,457,641
Dividend payable	Parent	Dividends declared to stockholders of the Parent Company	33,799,458
Sales	Affiliates	Sale of various products, 30-day term, noninterest bearing, unsecured, no impairment	778,196,330
Purchases	Affiliates	Purchase of raw materials, merchandise and other spare parts, 30-day term, non-interest bearing, unsecured	2,478,851,237
Receivables Non-trade	Affiliates	Related to service agreements, 30-day term, noninterest bearing, unsecured, no impairment	22,872,917
Receivables Non-trade	Affiliates	Related to electricity consumption charged by the Company, 30-day term, non-interest bearing, unsecured, no impairment	80,404,535
Receivables Non-trade	Affiliates	Related to service income from rendering services in the form of general advice and assistance fees, 30 day term, non-interest bearing, unsecured, no impairment	56,070,948
Receivables Non-trade	Affiliates	Related to rental income on investment property, 30-day term, non-interest bearing, unsecured, no impairment	28,211,198
Receivables Non-trade	Affiliates	Related to certain expenses paid by the Company in behalf of affiliates, 30 day term, non-interest bearing, unsecured, no impairment.	8,193,914
Accrued Expenses	Affiliates	Related to expenses payable for PA management fee, 30 day term, non-interest bearing, unsecured	7,254,032
	Affiliates	Related to allocated cost charged to the Company for certain services, 30-day term, non-interest bearing, unsecured.	7,054,032

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?
All related party transaction shall require the approval of Treasurer and Executive Director. Material related party transactions require the review of Audit and Audit Committee before approval of the Board.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	*Holders of a majority of the subscribed capital stock shall constitute a quorum.*

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	*Majority vote of Board of Directors*
Description	*Corporate power is delegated to the Board of Directors by stockholder who holds majority of the company's subscribed and outstanding stocks the power of ratify, approve, amend, and revoke any corporate act.*

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Right to attend and vote in person or by proxy at stockholders' meeting.	*In cases of merger, acquisition or takeover, the Board appoints an Independent Party (Audit Committee) to evaluate the fairness of the transaction.*
Right to elect and remove directors.	
Right to approve certain corporate acts	
Right to adopt and amend or repeal the by-laws or adopt new by-laws	
Right to compel the calling of meetings when for any cause there is no authorized person to call such a meeting	
Right to issuance of certificate or stocks or other evidence of stock ownership and be registered as a stockholder	
Right to receive dividends when declared	
Right to participate in the distribution of corporate assets upon dissolution.	
Right to transfer of stocks in the corporate books.	
Right to pre-emption in the issue of shares.	
Right to inspect corporate books and records.	
Right to be furnished the most recent financial statements upon request and to receive financial report of the corporation's operations.	
Right to demand payment for the value of his shares and withdraw from the corporation in certain cases (Appraisal right)	
Right to bring individual and representative or derivative suits	
Right to enter into voting trust agreements.	
Right to have the corporation voluntarily dissolved.	

Dividends

Declaration Date	Record Date	Payment Date
March 31, 2017	*April 18, 2017*	*May 10, 2017*
March 22, 2016	*April 7, 2016*	*April 26, 2016*
March 19, 2015	*April 7, 2015*	*May 4, 2015*
March 20, 2014	*April 10, 2014*	*May 8, 2014*
March 21, 2013	*April 12, 2013*	*May 8, 2013*

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Notice of Stockholders Meeting	*Website and Registered Mail*
Participation during Stockholders Meeting	*Actual participation during Stockholders Meeting.*
Specific time slot for question and answer portion is adopted to ensure that Stockholders have the opportunity to ask and raise question during stockholders' meeting.	*Questions are directed to the Board, Individual Directors or Board Committees.*
Medium of Communication is in English which is common and secondary language of most Filipinos.	*English and/or local dialect whichever the stockholder prefers to communicate.*
Accessible venue of the Annual Stockholders' Meeting.	*Notice of Stockholders' Meeting via registered mail.*
Meals & refreshment and Gifts	*Annual Practice given to all stockholders*

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
   a. Amendments to the company's constitution
   - *Stockholders have the right to actively participate on corporate matters that require resolution, decision and approval including but not limited to amendments to the company's constitution based on the company's policy on manual of corporate governance and Corporation Code of the Philippines.*

   b. Authorization of additional shares
   - *Stockholders have the right to actively participate on corporate matters that require resolution, decision and approval including but not limited to authorization of additional shares based on the company's written policy on manual of corporate governance and Corporation Code of the Philippines*

   c. Transfer of all or substantially all assets, which in effect results in the sale of the company.
   - *Stockholders have the right to actively participate on corporate matters that require resolution, decision and approval including but not limited to transfer of all or substantially all assets, which in effect results in the sale of the company based on the company's written policy on manual of corporate governance and Corporation Code of the Philippines.*

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? *YES*
   a. Date of sending out notices: May 26, 2016
   b. Date of the Annual/Special Stockholders' Meeting: June 17, 2016

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.
   Mrs. Myrla Nogales, a stockholder, congratulated the officers and employees of Panasonic Manufacturing Philippines Corporation (PMPC) for a successful and profitable year. However, she commented that while PMPC is still a Filipino and Japanese corporation, she noted that all regular members of the Board of Directors are Japanese. She suggested that the company management should consider having Filipino regular members of the Board of Directors which has been a practice since the beginning.

   Mr. Shinichi Hayashi replied that the suggestion of Mrs. Nogales will be taken up by the management.

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Various Resolutions (SEC Form 20-IS)	Majority	None	None

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: *None. Votes were accounted as unanimous only which is then reported by the corporate secretary to the SEC.*

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:
There were no modifications made in the 2016 Annual Stockholders' Meeting regulations which remained consistent annually. The Company has a written policy on Stockholders' Meeting policy and procedures.

Modifications	Reason for Modification
No modifications made	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Shinichi Hayashi Yoshiyuki Takahashi Hiroshi Yamada Masaru Toyota Emiliano Volante Elizabeth Gildore Atty. Mamerto Mondragon	June 17, 2016	Poll	83%	17%	100%
Special	Shinichi Hayashi Yoshiyuki Takahashi Hiroshi Yamada Masaru Toyota Hiroyuki Tagishi Koji Takatori Eiji Fukumori Atty. Mamerto Mondragon Eizabeth Gildore Emiliano Volante	April 1, 2016 May 4, 2016 May 10, 2016 May 23, 2016 June 24, 2016 October 20, 2016 December 8, 2016 Dec. 15, 2016 Dec. 16, 2016 Jan. 13, 2017 March 2, 2017	Show of hands	-	-	-

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?
Yes. The Company's independent/external auditor is responsible to handle and count the votes at the annual stockholders' meeting. Except in cases where voting by ballot is applicable, voting and counting shall be by viva voce. If by ballot, the counting shall be supervised by the Corporate Secretary and independent auditors (SGV & Co.) of the Company.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.
Yes.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	*Required*
Notary	*Not Required*

	Company's Policies
Submission of Proxy	*Required*
Several Proxies	*One Proxy*
Validity of Proxy	*Required*
Proxies executed abroad	*Applicable*
Invalidated Proxy	*Applicable*
Validation of Proxy	*Applicable*
Violation of Proxy	*Applicable*

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
PMPC's Annual Stockholder's Policy and Procedures and By-laws	*Notices of Annual Stockholders Meeting shall be sent at least **28** days before the meeting.*

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	*All stockholders that are entitled to receive the definitive information statements and other report.*
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	*21 days before the Annual Stockholders' Meeting. Date of actual distribution: May 26, 2016*
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	*21 days before the Annual Stockholders' Meeting. Date of actual distribution: May 26, 2016*
State whether CD format or hard copies were distributed	*CD Format Distributed but Stockholders may be provided with hard copies of the annual report upon request.*
If yes, indicate whether requesting stockholders were provided hard copies	*YES. Requesting stockholders were provided with hard copies of the report.*

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	*Yes*
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	*Yes*
The auditors to be appointed or re-appointed.	*Yes*
An explanation of the dividend policy, if any dividend is to be declared.	*Yes*
The amount payable for final dividends.	*Yes*
Documents required for proxy vote.	*Yes*

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Right to vote on all matters that require their consent or approval	*Implemented*
Pre-emptive right to all stock issuances	*Implemented*
Right to inspect corporate books and records	*Implemented*
Right to information;	*Implemented*
Right to dividends;	*Implemented*
Appraisal right.	*Implemented*

(b) Do minority stockholders have a right to nominate candidates for board of directors? *Yes. The company has a policy on its manual of corporate governance that provides minority stockholders the right to nominate candidates for Board of Directors.*

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.
All external and internal communications relative to corporate governance matters are handled by our Corporate Disclosure Officer and Authorized Spokesperson. The Company's communication policy is embodied and detailed in The Disclosure Rule and Investor Relation Program policies delineate the Company's communication policy. The objective of the policy are as follows:
   a) *Serve as a statement of the Group's disclosure policies and procedures and to ensure consistent disclosure practices throughout the Group;*
   b) *Reinforce the Group's commitment to comply with disclosure obligations imposed by all applicable legal and regulatory requirements on disclosure of material information;*
   c) *Ensure all parties encompassed by the Policy understand their duty to protect the confidentiality of material information;*
   d) *Provide guidance and structure in disseminating corporate information to, and in dealing with, shareholders, stakeholders, media representatives, analysts and the investing public;*
   e) *Improve stakeholders' understanding of the Group's business and enhance the Group's corporate image by practicing openness, accessibility and transparency;*
   f) *Provide a framework of processes and procedures upon which the Group can successfully implement its investor relations program; and*
   g) *Designate Disclosure Policy Officers to help achieve the above objectives.*

The Disclosure Rule and Investor Relation Program Policies are reviewed annually whether it needs to be updated based on the changing conditions and circumstances of the company. The approval of company announcement is dependent on the materiality of the information to be announced but ultimately the major announcement is finally approved by the Executive Management and the Board before its communication.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	*To provide stockholders' and stakeholders an easy and multiple access to Company's relevant information.*
(2) Principles	*To provide channels for disseminating information based on equal, timely and cost efficient access to relevant information by users.*
(3) Modes of Communications	*Corporate Website, Interim Reporting, Newspaper, Registered Mail, Email, Telephone and Fax*
(4) Investors Relations Officer	*Atty. Mamerto Mondragon / Mr. Marlon Molano* *Tel. No. 635-22-60*

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

The approval of Panasonic Corporation, head office, in Japan is required before PMPC can enter into extraordinary transactions and sales of substantial portion of corporate assets. The Company strictly follow its policies on Disclosure Rules and Investor Relation Program in case of significant acquisitions.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

The Audit Committee is the duly appointed independent party that reviews and checks the transaction price of related party transaction There is plan to create Board Related Party Transaction Committee to handle the review the Company's material related party transactions.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
Local Panasonic Scholarship Program	*Technical and vocational students*
Munting Handog, Laking Tuwa Ang Dulot Program	*Underprivilege Children*
Home Building with Habitat for Humanity	*Teachers/Soldier/Displaced Families*
100 Thousand Solar Lanterns Donation Project	*Humanitarian and Non-humanitarian Gov't Org.*
Panasonic Eco Picture Diary Contest	*Elementary School Children*
Panasonic Eco Learning Program	*Elementary School Children*
Support to "SILAKBO" for Sta. Rosa watershed	*Laguna Communities*
Tree Planting at La Mesa Water Shed	*La Mesa Water Shed*

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	*Benchmark performance against Manual on Corporate Governance*	*Manual on Corporate Governance*
Board Committees	*Benchmark performance against Charter*	*Committee Charter*
Individual Directors	*Director Self Assessment*	*Performance/ Accomplishment*
CEO/President	*President Self Assessment*	*Performance /Accomplishment*

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees.

Violations	Sanctions
1. In case of first violation,	Reprimand
2. Suspension from office shall be imposed in case of second violation.	Suspension duration depends on the gravity of violation.
3. Third violation	Maximum penalty or removal from office

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of _____ on May 30, 2017.

SIGNATURES

SHINICHI HAYASHI
Chairman of the Board/ CEO

EMILIANO VOLANTE
Independent Director

ELIZABETH GILDORE
Independent Director

Atty. MAMERTO MONDRAGON
Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 30 2017 day of May 2017, affiant(s) exhibiting to me their _____, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
1. Shinichi Hayashi/ Passport No. TH9641280	July 8, 2009 - 2019	JAPAN
2. Elizabeth Gildore/ Community Tax No. 016-89-018765	Sept. 17, 2015	Antipolo City
3. Emiliano Volante / Community Tax No. 19252387	Jan. 12. 2017	Marikina City

NOTARY PUBLIC

Doc No. 325
Page No. 65
Book No. XLII
Series of 2017

ATTY. CRISPINO T. PABLO, JR.
Notary Public until December 31, 2017
Commission No. 16-09 / Roll No. 49638
PTR No. 3840371/01-13-2017 RIZAL
IBP LIFETIME No. 06272 RIZAL
MCLE COMPLIANCE No. V-0022925