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**Panasonic Manufacturing Philippines Corporation
PMPC**

**PSE Disclosure Form CGR-1 - Compliance Report on Corporate Governance
Reference: Corporate Governance Guidelines for Companies Listed on the Philippine
Stock Exchange**

For the year ended Dec 31, 2015

Description of the Disclosure

PMPC CORPORATE GOVERNANCE GUIDELINES 2015



PANASONIC MANUFACTURING PHILS. CORP.

Corporate Governance Guidelines For Listed Companies Disclosure Template for the Year 2015

Guidelines	Apply	Explain
Guidelines No.1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	Yes	<p>PMPC's General Principle and Creeds, Code of Conduct and Code of Ethics are incorporated in the Collective Bargaining Agreement given to all employees. Implementing guidelines have been incorporated in the relevant company manual. The Board annually reviews the company's vision and mission if it remains consistent with the company's objectives and Corporate Charter.</p> <p>http://www.panasonic.com/ph/corporate/profile.html</p>
1.2 Have a well-developed business strategy.	Yes	<p>Initially the group's business strategy comes from the head quarter in Japan and consolidated with locally prepared business strategy that is basically attuned to the company's business environment management style and culture.</p> <p>Source: Annual Policy Meeting Website, Annual Governance Report (ACGR) and Annual Report (SEC Form 17-A)</p>
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	Yes	<p>PMPC uses various business models and strategic direction from the Board to ensure effective business performance that is consistent with its business environment and emerging business opportunities. The strategy execution is being reviewed every month versus actual business performance and adjust accordingly as necessary. Among this business models are Enterprise Risk Management, Supply Chain and Management.</p> <p>Source: Annual Report (SEC Form 17-A)</p>
1.4 Have its board continually engaged in discussions of strategic business issues.	Yes	<p>The Board monthly discusses corporate and strategic business issues and business performance.</p> <p>Source: Board Meeting Agenda and Board Meeting Minutes of the Meetings.</p>
Guidelines No.2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1 Have a board composed of directors of proven competence and integrity.	Yes	<ul style="list-style-type: none"> The Board is composed of directors specializing in different areas of professional expertise to ensure each one contributes to the overall strategic governance of the company.

Guidelines	Apply	Explain
		<ul style="list-style-type: none"> • PMPC Board is a combination of executive and non-executive that possessed with qualifications and stature that enable them to effectively participate in the deliberation of the Board. • The Nomination Committee has a process for selecting an appropriate mix of competent directors. Panasonic Japan also has its own guidelines in selecting the Japanese directors and advisers being assigned to the Company. The duties and responsibilities of the directors, CEO and senior officers are defined in the By-Laws and Corporate Governance Manual. • PMPC's manual on corporate governance incorporates a policy on board diversity as a consideration in board composition to ensure balance of professional skills and experience. <p>Source: Manual on Corporate Governance page, Annual Report (SEC Form 17-A), Board Diversity Policy.</p>
2.2 Be led a chairman who shall ensure that the board functions in an effective and collegial manner.	Yes	The board is currently being led by a Chairman of the board. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR).
2.3 Have at least three (3) or thirty percent (30%), whichever is higher, of its directors as independent directors.	Yes	PMPC has only 2 non-executive independent directors based on the minimum requirement of SEC's Securities Regulation Code. Mr. Emiliano Volante and Elizabeth Gildore are the Company's two independent directors. PMPC shall add one (1) additional independent director upon final approval of the majority of the Board in FY 2016. Source: Annual Report (SEC Form 17-A)
2.4 Have in place written manuals, guidelines and issuances that routine procedures and processes.	Yes	Policies, manuals and have been put in place to provide Panasonic employees with specific reference to facilitate the operations and compliance with local laws, rules and regulations. PMPC has corporate governance manual in place to ensure compliance with the existing rules and regulation of SEC's Code of Corporate Governance. The various board committees also have

Guidelines	Apply	Explain
		<p>corresponding charter, guidelines and/or policies to ensure that their goals and objectives materialize. Source: Manual on Corporate Governance and Board Committee Charters, Annual Corporate Governance Report (ACGR)</p>
<p>2.5 Have Audit, Risk, Governance and Nomination and Election Committees.</p>	<p>Yes</p>	<p>The company has Audit, Risk, Governance and Nomination Committees to facilitate the board's oversight and governance process. A written charter has been prepared for each board committee. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR). Written policy on Audit, Risk, Governance, Nomination, and Compensation Committee Charters.</p>
<p>2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.</p>	<p>No</p>	<p>The position of Chairman of the Board and the President is held by the same person. Source: Annual Report (SEC Form 17-A)</p>
<p>2.7 Have a director's nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.</p>	<p>Yes</p>	<p>All shareholders are free to submit nominations and vote for the directors of their choosing. Source: By-laws, Annual Corporate Governance Report (ACGR).</p>
<p>2.8 Have in place a formal board and director development program.</p>	<p>Yes</p>	<p>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. Furthermore, executive directors attended an in-house management continuing management educational program usually initiated and facilitated by the Panasonic Head Office in Japan.</p> <p>Finally, pursuant to SEC's Memorandum Circular No. 20 2013, the board of directors and key officers of PMPC attend, at least once a year, a corporate governance training program conducted by training providers that are duly accredited by the SEC. Source: Certificate of Corporate Governance Seminar, Annual Corporate Governance Report (ACGR)</p>

Guidelines	Apply	Explain
2.9 Have a corporate secretary.	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. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR).
2.10 Have no shareholder agreement, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	Yes	There are no shareholder agreement, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently. Source: Annual Report (SEC Form 17-A), By-laws, Annual Corporate Governance Report (ACGR). Manual on Corporate Governance.
Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM		
3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	Yes	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. Source: Manual on Corporate Governance, Internal Audit Charter, Company Annual Corporate Governance Report (ACGR), Organizational Chart.
3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed.	Yes	The company's comprehensive compliance program comprises several policies and procedures, internal control processes and assignment of responsibilities to specific individual to ensure compliance with laws and relevant regulations. Source: Annual Corporate Governance Report (ACGR)
3.3 Institutionalize quality service programs for the internal audit function.	Yes	The Internal Audit uses and complies with the International Professional Practice Framework (IPPF) of Internal Auditing with respect to Internal Audit Quality Program to ensure that it is at par with the global best practices. Source: Internal audit Charter and Manual on Corporate Governance.
3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	Yes	PMPC has whistleblower policy in place for handling complaints by employees, suppliers and other stakeholders concerning illegal

Guidelines	Apply	Explain
		<p>(including corruption), unethical behavior and raised valid issues. Employee that may have legitimate information 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.</p> <p>Source: Company Whistle Policy and Procedures, Annual Corporate Governance Report (ACGR), Company Investor Relation Officer.</p>
<p>3.5 Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	<p>No</p>	<p>The company is yet to adopt the annual attestation in writing of either the CEO or Chief Audit Executive that a sound internal audit, control and compliance is in place and working effectively in accordance with the management objective. However, audit of internal control over financial reporting is annually conducted to ensure the necessary control procedures are in place and working effective as intended.</p>
<p>Guidelines No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</p>		
<p>4.1 Have its board oversee the company's risk management function.</p>	<p>Yes</p>	<p>The Board Risk Management Committee oversees the enterprise risk management system of the company.</p> <p>Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR), Manual on Corporate Governance, Company Organizational Art, Board Risk Management Policy and</p>
<p>4.2 Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.</p>	<p>Yes</p>	<p>The company has a written and formal risk management policy duly approved by management and the board.</p> <p>Source: Company Risk Management Policy, Annual Corporate Governance Report.</p>
<p>4.3 Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.</p>	<p>Yes</p>	<p>The company has a written and formal policy on Risk Management Framework Policy duly approved by the board. The company uses the COSO Risk Management Framework to conduct its risk management process.</p> <p>Source: Company Risk Management Framework Policy and Procedures.</p>

Guidelines	Apply	Explain
4.4 Have a unit at the management level, headed by Risk Management Officer (RMO).	Yes	The company's risk management system is headed by Risk Management Officer from the legal group. Source: Company Organizational Chart, Risk Management Policy and Procedures, Annual Corporate Governance Report (ACGR)
4.5 Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	Yes	Inherent, existing and emerging risks are sufficiently disclosed in the company's annual report including the corresponding approach and methods on how to address and resolve the identified risk. Source: Annual Report (SEC Form 17-A)
4.6 Seek external technical support in risk management when such competence is not available Internally.	Yes	Both board and management are free to obtain the services of risk management consultant if deemed necessary. Source: Manual on Corporate Governance.
Guidelines No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING		
5.1 Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	Yes	The Audit Committee has the responsibility to review and approved non-audit services of the external auditors to maintain the latter's objectivity and independence from the company. Source: Company Manual on Corporate Governance, Audit Committee Charter, Annual Corporate Governance Report (ACGR).
5.2 Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Yes	SGV has been the company's external auditors for a long time. Through the years, it has consistently provided the highest quality standard on assurance services to the company. SGV annually checks, evaluates and discloses the related party transaction in the company's audited financial statement and annual report. Source: Top 3 big local accounting firms.
5.3 Ensure that the external auditor has adequate quality control procedures.	Yes	Quality Control Program on financial statement audit by external auditors is a must policy for the Accounting Firm Sycip, Gorres, Velayo & Comp. (SGV). The finalization of audited financial statements undergo strict review process whether the content of the statements are free from error and in accordance with the accounting standards disclosures rules. Source: PMPC Consolidated Audited Financial Statements.

Guidelines	Apply	Explain
5.4 Disclose relevant information on the external auditors.	Yes	The company's annual report discloses relevant information about its external auditor. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR)
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	Yes	The Board, after consultations with the Audit Committee, recommends to the stockholders an external auditor duly accredited by the SEC who shall undertake an independent audit of the Company' financial statements. Source: Annual Stockholder's Minutes of the Meeting, Manual on Corporate Governance.
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	Yes	The Audit Committee conducts an annual separate meeting with external auditors after the initial presentation of audited financial statements with or without the presence of executive management. Source: Audit Committee Minutes of the Meeting, Company Manual on Corporate Governance, Annual Corporate Governance Report (ACGR) and Board Audit Committee Charter.
5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial.	Yes	The Chief Executive Officer and Chief Financial Officer attest the company's financial reports. Source: Annual Report (SEC Form 17-A), Audited Financial Statements.
5.8 Have a policy of rotating the lead audit partner every five years.	Yes	The company complies with the SEC's regulation re the policy on rotating the lead audit partner every five years. Rotating the audit partner every five years is being implemented in the company consistent with its policy on corporate governance. Mr. Aries Malantic replaced Janet Paraiso, the latter has served as the company's external audit partner for 5 years Source: Company Manual on Corporate Governance, Annual Corporate Governance Report (ACGR).

Guidelines	Apply	Explain
Guidelines No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP		
6.1 Adopt the principle of "one share, one vote."	Yes	The principle of "One share, one vote" is always followed during the annual election of members of the board of directors. This is also delineated in the Company's by-laws. Source: PMPC By laws, Annual Corporate Governance Report (ACGR)
6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Yes	The shareholders who are holder of the same class are treated the same with respect to voting rights, subscription rights and transfer rights. Source: By-laws, Annual Corporate Governance Report (ACGR)
6.3 Have an effective, secure and efficient voting system.	Yes	The company has no history of tampered vote results and it has an effective, secure and efficient voting system in place that is overseen by the company's corporate secretary in coordination with external auditor. Source: Annual Corporate Governance Report (ACGR).
6.4 Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	No	The company has yet to adopt the supermajority or majority of minority requirements to protect the interest of the minority. However, minority shareholders is not precluded from participating in corporate action that needs their approval or use cumulative voting system. Source: Annual Corporate Governance Report (ACGR)
6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM)	Yes	PMPC provide all shareholders regularly with the notice and agenda of AGM thirty (30) days before regular meeting and twenty (20) days before special meeting. Source: Proxy Statement/Form.

Guidelines	Apply	Explain
6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	Yes	<p>Stockholders are allowed to actively participate on corporate matters that require resolution, decision and approval. During the meeting, the external auditor, Executive directors and non-executive directors are present and they are responsible for answering all shareholder questions.</p> <p>Source: Annual Stockholders Minutes of the Meeting.</p>
6.7 Ensure that all relevant questions during the AGM are answered.	Yes	<p>A panel of officers is always available to answer questions during the AGM, including PMPC's external auditor. Relevant questions were documented in the annual stockholders' minutes of the meeting by the corporate secretary.</p> <p>Source: Annual Stockholders Minutes of the Meeting.</p>
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	Yes	<p>The rights of the minority shareholders are delineated in the company's by-laws and these are strictly enforce. The minority shareholders received the same benefits as the majority shareholders as provided for in the company's by-laws.</p> <p>Source: By-laws, Annual Corporate Governance Report (ACGR), Manual on Corporate Governance.</p>
6.9 Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	Yes	<p>The members of the Board do not own more than 25% of outstanding shares.</p> <p>Source: Annual Report (SEC Form 17-A), General Information sheet</p>
6.10 Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	Yes	<p>All classes of shares of stock held by controlling shareholders and their affiliates are disclosed in the company's annual report and Annual Corporate Governance Report (ACGR).</p> <p>Source: Annual Report (SEC Form 17-A) and Annual Corporate Governance Report (ACGR).</p>
6.11 Have a communication strategy to promote effective communication with shareholders.	Yes	<p>The company has policy on Investor Relation Program and investor relation officer that promote and facilitate effective communication with shareholders.</p> <p>Source: Company Policy on Investor Relation Program, Investor Relation Officer.</p>

Guidelines	Apply	Explain
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	Yes	Due to significant investment and controlling shares of Panasonic Japan, PMPC's free-float share is only 15.8%. Source: Annual Report (SEC Form 17-A)
6.13 Have a transparent dividend policy.	Yes	The company discloses its dividend policy in the annual report. Sources: Annual Report (Form 17-A), Annual Corporate Governance Report (ACGR).
Guidelines No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME		
7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	Yes	The company has written policy and procedures on Consolidated Financial Reporting and Disclosures to ensure disclosures required by accounting standards, PSE, SEC and other disclosure requirements under existing laws and regulations are appropriately complied. Source: Consolidated Financial Reporting and Disclosures.
7.2 Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Yes	All matters that may impact on the control, ownership and strategic direction of the company are duly disclosed to shareholders. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR).
7.3 Disclose its director and executive compensation policy.	Yes	The company's policy on compensation is disclose in the annual report. However, only the aggregate amount of compensation is disclosed in the company's annual report. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR)
7.4 Disclose names of groups of individuals who hold five percent (5%) or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	Yes	The company discloses individuals, group of individuals or corporations, that hold five percent (5%) or more ownership interest in the company. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR).
7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit	Yes	The company discloses its consolidated reports, cash flows statements annual and quarterly Source:

Guidelines	Apply	Explain
		Annual Report (SEC Form 17-A) and Quarterly Report (SEC Form 17-Q)
7.6 Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	Yes	<ul style="list-style-type: none"> Any changes to the Corporate Governance Manual shall be approved by the Board and Audit Committee and shall be subsequently disclosed to shareholders and regulatory agencies. The content of PMPC's Manual on Corporate Governance is based on the SEC's and PSE Corporate Governance implementing rules and regulations. Source: PMPC's Manual on Corporate Governance.
7.7 Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	Yes	PMPC discloses to its shareholders all information, acts and decisions by the board requiring shareholder's approval at least 21 days before the meeting. Source: Investor relation program policy and procedures.
7.8 Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program)	Yes	All company shares that are held by both controlling shareholders and the company's directors are monitored and trading, if any, are subsequently disclosed. As required by PSE and SEC rules, PMPC regularly discloses all stock transactions involving directors and officers of the corporation. Source: Annual Corporate Governance Report (ACGR), Annual Report (SEC Form 17-A, SEC General Information Sheet.
7.9 Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross- holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Yes	As required by SEC rules, PMPC discloses in its annual report and SEC Form 20-IS the identities and holdings of the controlling shareholders. Source: SEC Form 20-IS
Guidelines No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTEREST OF EMPLOYEES, COMMUNITY,		
8.1 Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its	Yes	Various policies are in place that articulates the company's recognition and protection of various stakeholders. These are delineated in the company's annual report. Source:

Guidelines	Apply	Explain
employees, suppliers and customers, creditors as well the community, environment and other key stakeholder groups.		Annual Report (SEC Form 17-A),
8.2 Have in place a workplace development program.	Yes	PMPC HRD has a set of human resource development program for the entire company to ensure that each employee is equipped and competent in their respective area of responsibility. Source: Annual Report (SEC Form 17-A)
8.3 Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	No	The company is yet to adopt an employee stock option plan or ESOP as performance incentive mechanism. However, various other performance incentives are provide to employees in the form of performance bonus, mid-year bonus, product discount, hospital benefits, annual salary increase among others.
8.4 Have in place a community involvement program.	Yes	Various community involve programs are disclosed in the Annual Report. Source: Annual Report (SEC Form 17-A)
8.5 Have in place an environment-related program.	Yes	Various environment related programs are disclosed in the annual report. Source: Annual Report (SEC Form 17-A)
8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	Yes	Various policies are in place to deal with the company's stakeholders. Source: Annual Report (SEC Form 17-A)
Guidelines No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING		
9.1 Develop and disclose a policy governing the company's transactions with related parties.	Yes	Policy and significant related party transaction are disclosed in the company's annual report. Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR), Policy on related party transaction.
9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and	Yes	PMPC discloses all related party transaction in accordance with the Philippine Financial Reporting Standard (PFRS) and Philippine Accounting Standards (PAS). The company has also policy on

Guidelines	Apply	Explain
those that need prior shareholder approval. The aggregate of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.		related party transaction consistent with International Accounting Standard on RPT's. Source: Related Party Transaction Policy and Procedures, Annual Report (SEC Form 17-A), Audited Financial Statement Disclosure section.
9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	Yes	A voting system is in place so that non-related shareholder can approve related party transactions in shareholders meeting. The company's by-law does not preclude shareholders from exercising this right. There are no related party transactions that are subject for approval of the shareholders last fiscal year. Source: Annual Report (SEC Form 17-A), By-laws.
9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.	Yes	As company's policy, all significant Related Party Transactions are reviewed by Audit Committee to ensure that the transactions are made in arm-length. Source: Manual on Corporate Governance, Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR).
9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	Yes	A summary of the company's related party transaction is disclosed in the annual report and annual Corporate Government Report (ACGR). Source: Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR).
9.6 Have clear policy in dealing with material non-public information by company insiders.	Yes	PMPC has written policy on insider Trading and conflict of interest policies to ensure that non-public information are secured and limited to authorized personnel. Source: Insider Trading Policy and Procedures and Conflict of Interest for director and Officers
9.7 Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	Yes	The company has Investor Relation Program Policy and Procedures to ensure communication and disclosure of all material transaction of controlling shareholders, directors or management. The investor relation officer oversee the full implementation of the procedures as one measure to protect the interest of minority and other stakeholders.

Guidelines	Apply	Explain
		Source: Investor Relation Program Policy and Procedures.
Guidelines No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND ENFORCEMENT		
10.1 Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	Yes	The Company has Code of Ethics and Code of Conduct in place. Source: Code of Ethics and Code of Conduct
10.2 Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Yes	The company's comprehensive compliance program comprises several policies and procedures, internal control processes and assignment of responsibilities to specific individual to ensure compliance with laws and relevant regulations. The company's Internal audit also checks compliance with local rules and regulations. Source: Annual Corporate Governance Report (ACGR)
10.3 Not seek exemption from the application of a law, rule regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	Yes	PMPC does not exempt itself from any Corporate Governance rules and regulations. It actually seeks to improve its system to ensure compliance with the various regulatory agencies. Source: Annual Corporate Governance Report (ACGR)
10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	Yes	The company has several policies and procedures to curb and penalize company or employees in officering paying and receiving bribes. Source: Code of Conduct, Conflict of Interest Policy, Conflict of Interest Policy for Directors and Company Officers, Related Party Transactions, Fraud Statement Policy, Fraud Response Plan Policy and Procedures, Manual on Corporate Governance among others.
10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	Yes	The Corporate Secretary is also designated as the company's compliance officer. Source:


Guidelines	Apply	Explain
		Annual Report (SEC Form 17-A), Annual Corporate Governance Report (ACGR).
10.6 Respect intellectual property rights.	Yes	The company is committed to avoid possible Infringement of intellectual property rights of other companies. Source: Annual Report (SEC Form 17-A)
10.7 Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	Yes	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. Source: Conflict of Resolution Policy and Procedures.

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this documents is true, complete and correct.


Shinichi Hayashi
 PMPC President and CEO


Atty. Mamerto Mondragon
 Corporate secretary/Compliance officer


Emiliano Volante
 Chairman Audit Committee (Independent director)


Elizabeth Gildore
 Member Audit Committee (Independent director)