

# PANASONIC MANUFACTURING PHILIPPINES CORP. (PMPC)

## INSIDER TRADING POLICY

### 1. Objective

The objective of this Insider Trading Policy (the "Policy") is to ensure that PMPC and all persons to whom this Policy applies meet their obligations pursuant to Section 27 of Securities Regulation Code or Republic Act 8799 of the Securities and Exchanges Commission (SEC) otherwise known as Insider Trading.

### 2. Applicability of Policy

This Policy applies to all transactions in the Company's securities, including common stock, options for common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures. It applies to all officers of the Company, all members of the Company's Board of Directors, and all employees of, and consultants and contractors to the Company and its subsidiaries who receive or have access to Material Nonpublic Information (as defined below) regarding the Company. This group of people, members of their immediate families, and members of their households are sometimes referred to in this Policy as "Insiders." This Policy also applies to any person who receives Material Nonpublic Information from any Insider.

Any person who possesses Material Nonpublic Information regarding the Company is an Insider for so long as the information is not publicly known. Any employee can be an Insider from time to time, and would at these times be subject to this Policy.

### 3. Definitions

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**3.1 Insider** – means: (a) the issuer; (b) a director or officer (or person performing similar functions) of, or a person controlling the issuer; (c) a person whose relationship or former relationship to the issuer gives or gave him access to material information about the issuer or the security that is not generally available to the public; (d) a government employee, or director, or officer of an exchange, clearing agency and/or self regulatory organization who has access to material information about an issuer or a security that is not generally available to the public; or (e) a person who learns such information by communication from any of the foregoing insiders.

**3.2 Insider Trading** - the use of confidential information about a business gained through employment in a company or a stock brokerage, to buy and/or sell stocks and bonds based

*W. Zamora* *A. Feliciano* *1*

on the private knowledge and/or material nonpublic information that the value will go up or down.

**3.3 Material Nonpublic Information** – Information is material nonpublic if: (a) It has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or (b) would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security.

#### **4. General Policy**

It is the policy of the Company to oppose the unauthorized disclosure of any nonpublic information acquired in the work-place and the misuse of Material Nonpublic Information in securities trading.

##### **4.1. Trading on Material Nonpublic Information.**

No director, officer, or employee of, or consultant or contractor to, the Company, and no member of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of Company's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses Material Nonpublic Information concerning the Company, and ending at the close of business on the second Trading Day following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material. As used herein, the term "Trading Day" shall mean a day on which stock exchanges are open for trading.

##### **4.2. Tipping.**

No Insider shall disclose ("tip") any Material Nonpublic Information to any other person in the securities of the Company (including family members), nor shall such Insider or related person make recommendations or express opinions on the basis of Material Nonpublic Information as to trading in the Company's securities.

##### **4.3. Confidentiality of Nonpublic Information.**

Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden.



## 5. Potential Criminal and Civil Liability and/or Disciplinary Action

- 5.1. **Liability for Insider Trading.** Insiders may be subject to penalties under SRC for engaging in transactions in the Company's securities at a time when they have knowledge of nonpublic information regarding the Company.
- 5.2. **Liability for Tipping.** Insiders may also be liable for improper transactions by any person (commonly referred to as a "tippee") to whom they have disclosed nonpublic information regarding the Company or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company's securities. The Securities and Exchange Commission (the "SEC") has imposed large penalties even when the disclosing person did not profit from the trading.
- 5.3. **Possible Disciplinary Actions.** Employees of the Company who violate this Policy shall also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company's equity incentive plans or termination of employment.
- 5.4. **Company Liability.** Although responsibility for compliance with this policy and liability for non-compliance are primarily personal to the individuals involved, violations may result in civil and criminal liability for the Company.

## 6. Guidelines:

### 6.1 Mandatory Black-out Period for Officers, Directors and Certain Employees, Recommended For All Employees.

6.1.1 The period beginning two weeks before the end of each fiscal quarter and ending two Trading Days following the date of public disclosure of the financial results for each fiscal quarter, is a particularly sensitive period of time for transactions in the Company's stock from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that officers, directors and certain other employees will, during that period, often possess Material Nonpublic Information about the expected financial results for the quarter.

6.1.2 Accordingly, to ensure compliance with this Policy and applicable securities laws, all directors, officers and employees having access to the Company's internal financial statements or other Material Nonpublic Information shall refrain from conducting transactions involving the purchase or sale of the Company's securities during the period beginning two weeks before the last day of the quarter and ending two Trading Days following the date of public disclosure of the financial results for each fiscal quarter (the "Black-out Period").

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*Handwritten signatures and initials:* W. Zamora, A. J. J. J., [unclear], [unclear], [unclear]

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**7.4** Any employee with any questions regarding trading in the Company's securities is encouraged to contact the Compliance Officer.



## 8 Pre-Clearance Requirements

- 8.1 Directors and Officers of PMPC must obtain prior clearance from the CEO or CFO before he, she or a Related Person makes any purchases or sales of PMPC's securities, including, but not limited to, any exercise of stock options.
- 8.2 Notice of any proposed transaction is to be given to the CEO, CFO and other persons designated by the CEO from time to time. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under securities laws and regulations or otherwise may have an appearance of impropriety. Clearance of a transaction is valid only for a period of five business days.
- 8.3 If the transaction order is not placed within that five-business day period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.
- 8.4 If PMPC becomes aware of Material Non Public Information, all persons who have pre-cleared transactions that have not been completed will be asked to withdraw their trading instructions.

## 9 Individual Responsibility.

- 9.1 Every officer, director and employee has the individual responsibility to comply with this Policy against insider trading, regardless of whether the Insider trades even outside the Black-out Period. An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the Material Nonpublic Information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting. Applicability of Policy to Inside Information Regarding Other Companies.
- 9.2 This Policy and the guidelines described herein also apply to Material Nonpublic Information relating to other companies, including the Company's customers, vendors or suppliers ("business partners"), when that information is obtained in the course of employment with, or other services performed on behalf of, the Company.
- 9.3 Civil and criminal penalties, and termination of employment, may result from trading on inside information regarding the Company's business partners. All employees should treat Material Nonpublic Information about the Company's business partners with the same care required with respect to information related directly to the Company.

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*W. Tamiza* *A. Jutierrez* *Chaga* *Perkins*

## 10 Examples of such information may include:

- 10.1 Financial results.
- 10.2 Projections of future earnings or losses
- 10.3 Results of product development
- 10.4 News of a pending or proposed merger or joint venture
- 10.5 News of the disposition of a subsidiary
- 10.6 Impending bankruptcy or financial liquidity problems
- 10.7 Gain or loss of a substantial customer or supplier
- 10.8 New product announcements of a significant nature
- 10.9 Significant product defects or modifications
- 10.10 Significant pricing changes
- 10.11 Stock Splits or Consolidations
- 10.12 New equity or debt offerings
- 10.13 Acquisitions
- 10.14 Significant litigation exposure due to actual or threatened litigation
- 10.15 Major changes in senior management.

Either positive or negative information may be material. Nonpublic information is information that has not been previously disclosed to the general public and is otherwise not available to the general public.

## 11. Certain Exceptions

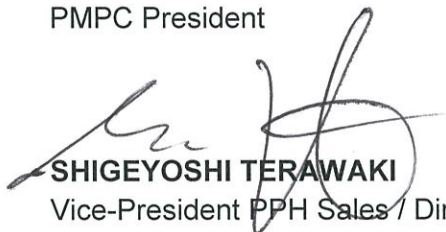
For the purposes of this Policy, in case the Company considers to offer and exercise stock options for cash to its employees (but not the sale of any such shares) is exempt from this Policy, since the other party to the transaction is the Company itself and the price does not vary with the market but is fixed by the terms of the option agreement or the plan.

*Michael*  
*W. Zamora*  
*H. Johnson*  
*[Signature]*  
*[Signature]*  
*[Signature]*

Policy Read and Approved by:



**NAOYA NISHIWAKI**  
PMPC President



**SHIGEYOSHI TERAWAKI**  
Vice-President PPH Sales / Director



**WAICHI TAMIYA**  
Vice-President Manufacturing/ Director



**MIGUEL CASTRO**  
Nominating Committee Chairman / Director



**HIROYOSHI FUKUTOMI**  
Compensation Committee Chairman/  
Executive Director



**EVANGELISTA C. CUENCO**  
Audit Committee Chairman / Independent  
Director



**EMILIANO VOLANTE**  
Audit Committee Member/Independent  
Director



**ATTY. MAMERTO MONDRAGON**  
Corporate Secretary / Compliance Officer

Date of Signing: DEC. 15, 2011