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**PURPOSE:**

This policy establishes the standards and procedures to ensure that fraud, accounting and audit related complaints handling complies with management's and the audit committee's objectives.

*Whistleblower procedures should be updated and consistent with the Sarbanes-Oxley Act of 2002 – Section 301.4 – concerning procedures for making complaints about fraud, accounting and auditing directly to the Audit Committee. The procedures facilitate access for employees and related parties to reach the audit committee.*

**SCOPE:**

The policy applies to all domestic offices and divisions of Panasonic Manufacturing Philippines Corporation.

**PROCEDURES:**

**A. Responsibilities of Audit Committee With Respect to Specified Complaints**

- 1.) The Audit Committee shall receive, retain, investigate and act on complaints and concerns of employees regarding fraud, questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Panasonic's accounting policies.
- 2.) At the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to any member of the Audit Committee or to Internal Audit Manager.

**B. Procedures for Receiving Report**

- 1.) Any Allegation that is made directly to management, whether openly, confidentially or anonymously, shall be promptly reported to the Audit Committee.
- 2.) Each Allegation forwarded to the Audit Committee by management and each Allegation that is made directly to the Audit Committee, whether openly, confidentially or

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anonymously, shall be reviewed by the Audit Committee, who may consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Audit Committee. The Audit Committee shall determine whether the Audit Committee or management should investigate the allegation, taking into account the considerations set forth in Section C below.

- a) If the Audit Committee determines that management should investigate the allegation, the Audit Committee will notify the legal counsel in writing of that conclusion. Management shall thereafter promptly investigate the allegation and shall report the results of its investigation, in writing, to the Audit Committee. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.
- b) If the Audit Committee determines that it should investigate the allegation, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

**C. Considerations Relative to Whether the Audit Committee or Management Should Investigate an Allegation**

In determining whether management or the Audit Committee should investigate an allegation, the Audit Committee shall consider, among any other factors that are appropriate under the circumstances, the following:

- 1.) *Who is the alleged wrongdoer? If an executive officer, senior financial officer or other high management official is alleged to have engaged in wrongdoing, that factor alone may militate in favor of the Audit Committee conducting the investigation.*
- 2.) *How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate that the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute involving the integrity of the financial statements of the Company, that factor alone may militate in favor of the Audit Committee conducting the investigation.*

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3.) How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation.

**D. Protection of Whistleblowers**

Consistent with the policies of the Company's Code of Conduct, the Audit Committee shall not retaliate, and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, report fraudulent activities, makes an allegation or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating an allegation or fraud. The Audit Committee shall not reveal the identity of any person who makes a good faith of an allegation and who asks that his or her identity as the person who made such allegation remain confidential and shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who report fraudulent activity or makes a good faith an allegation anonymously.

**E. Records**

The Audit Committee shall retain for a period of seven years or longer all records relating to any allegation and to the investigation of any such allegation.

**F. Procedures for Making Complaints**


In addition to any other avenue available to an employee, any employee may report to the Audit Committee or Internal Audit Department openly, confidentially or anonymously any report of wrongdoing, fraud or Allegation. Allegations can be made orally or in writing to Audit Committee Chairman or Internal Audit Manager. Such reports can also be made anonymously by calling the Internal Audit Department at Telephone No. 635-2260 loc 2426.

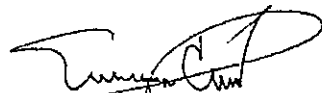
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