



SECURITY EXPORT CONTROL

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Joint Industry Outreach on Strategic Trade Management

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:: Outline of Presentation ::

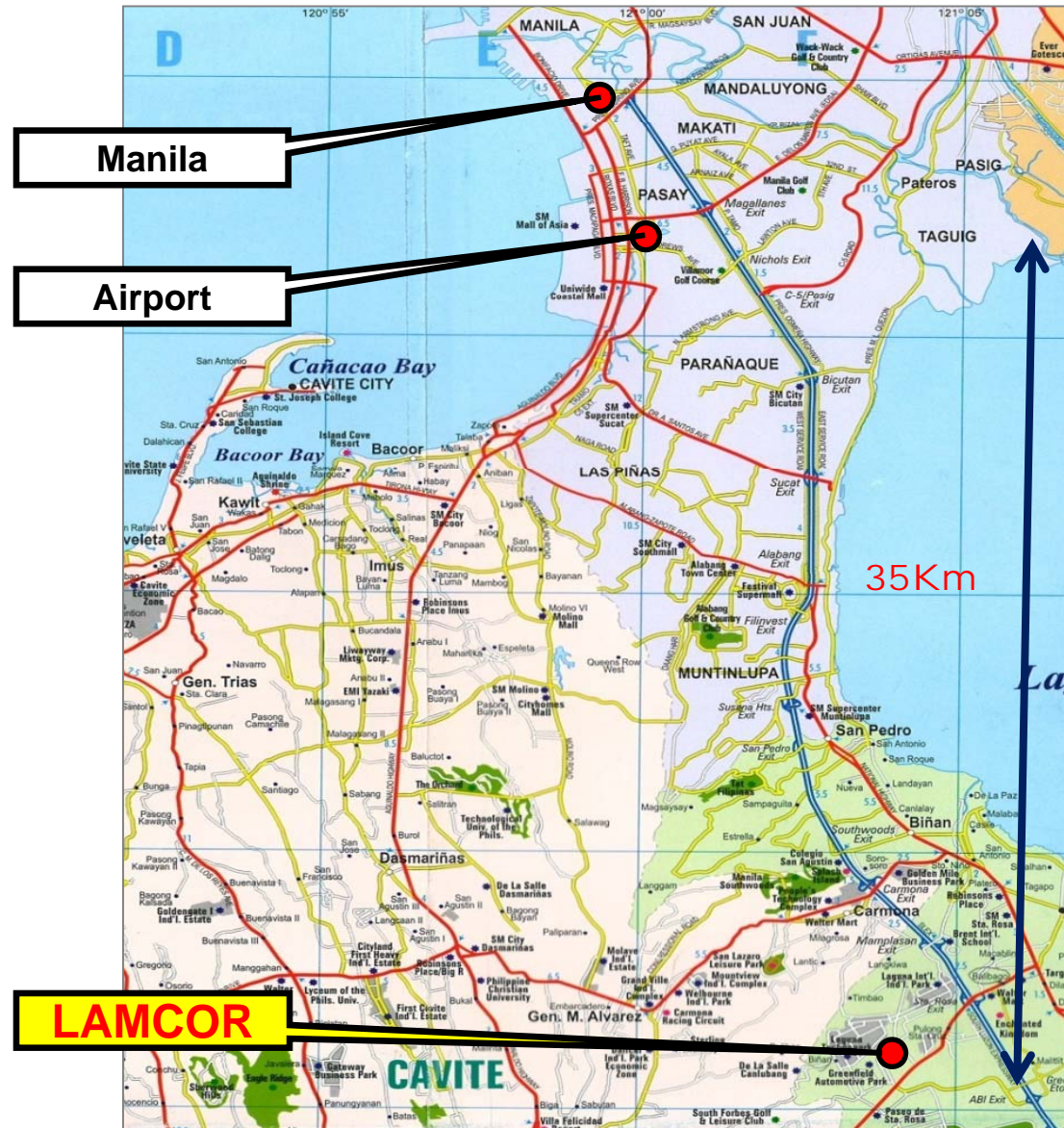
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:: 1. Company Background ::

Laguna Auto-Parts Manufacturing Corporation (LAMCOR)

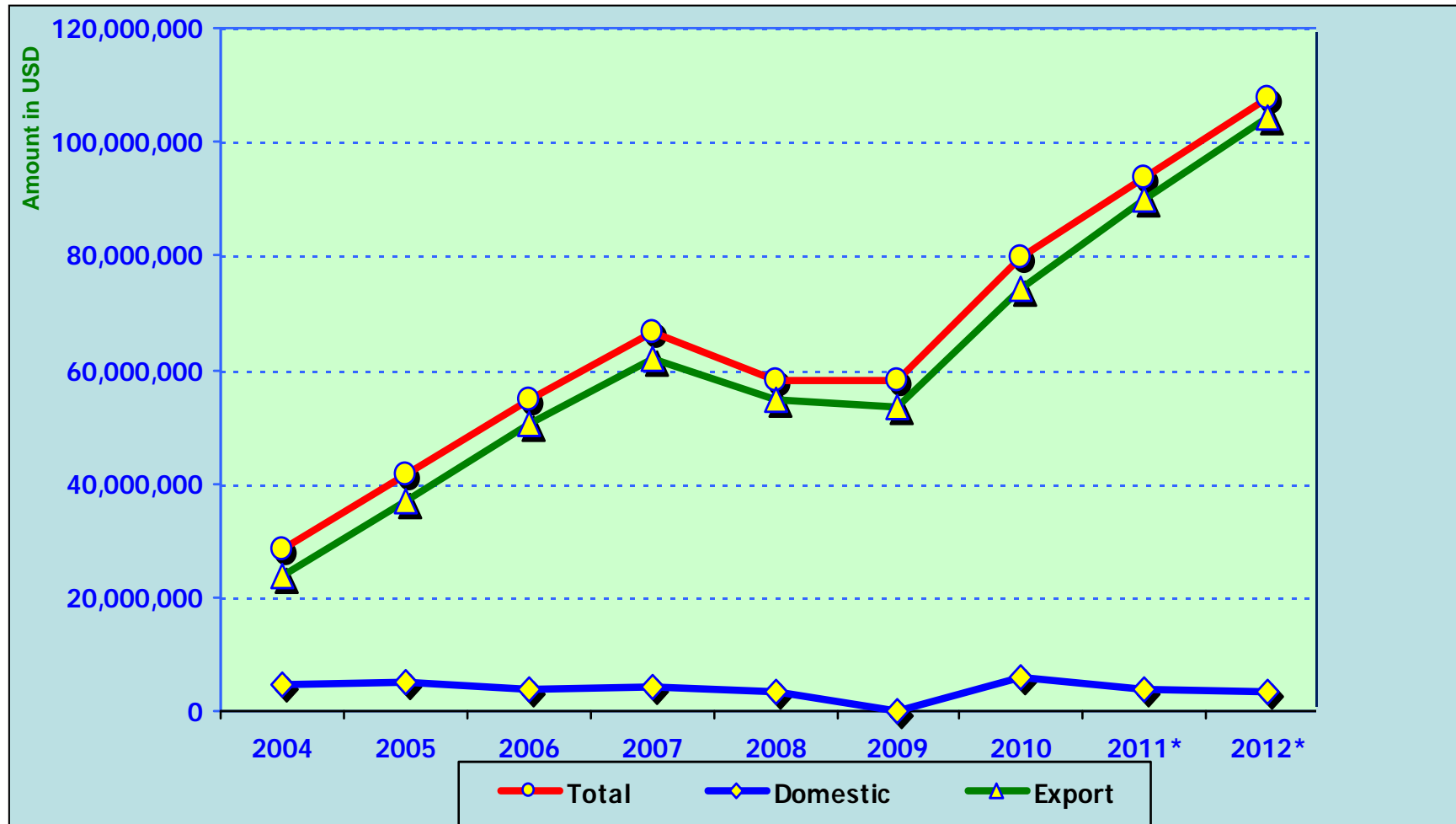
- Subsidiary of **MITSUBISHI ELECTRIC CORPORATION** of Japan
- Established in August of 1991
- Located at Laguna Technopark, Don Jose, Santa Rosa City
 - 35km south of Manila
 - 200 operating companies inside Laguna Technopark
- Manufacturer of automotive parts
- PEZA-registered company
- No. of employees - 1,811 as of end of Dec. 2011

(Location)



:: 1. Company Background ::

☐ Sales Performance 2004 ~ 2012

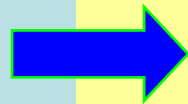
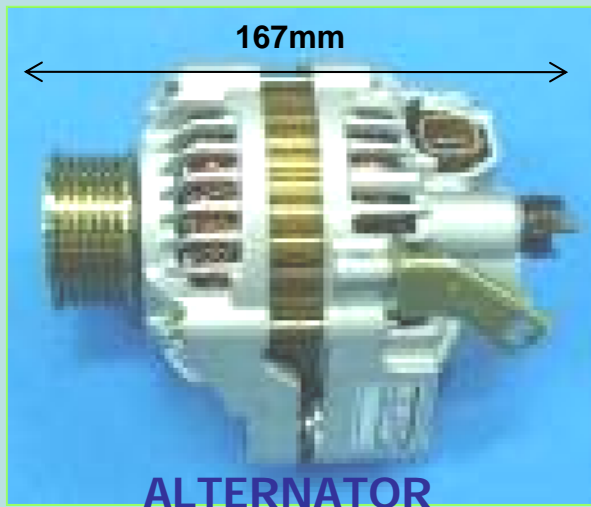


:: 1. Company Background ::

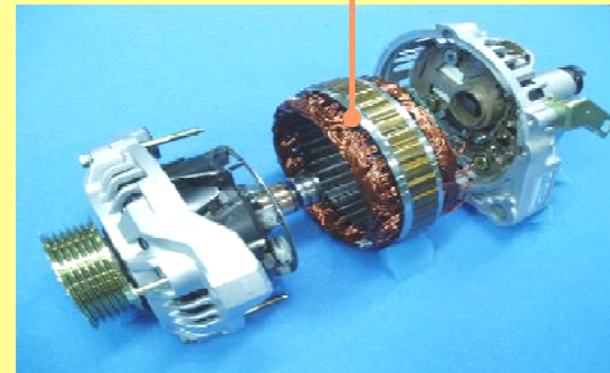
Main Products

STATOR of ALTERNATOR
(electricity generator of automobile)

6.0 million pcs / year
(FY 2012)



STATOR



:: 1. Company Background ::

Main Products

**Giant Magneto Resistance
(engine rotation sensor)**

**3.0 million pcs / year
(FY 2012)**



:: 2. Background of Export Control in LAMCOR ::

- Export Control was introduced by Mitsubishi Electric in LAMCOR in 1996.
- LAMCOR committed to comply with all domestic export laws and implement internal export control.
- In 1997, the 1st **Internal Compliance Program (ICP)** was formulated for LAMCOR by Mitsubishi Electric.
- Since then, verifications and audits were conducted by Mitsubishi Electric on our implementation of the **ICP**.
- In 2003, our **ICP** formed part of our Quality System which we regularly update and maintain.

3. Internal Compliance Program (ICP)

:: 3.1 Objectives ::

1. Defines our Objectives for Export Control as follows:

To comply with the laws and regulations established as a means to contribute to the preservation of international peace and security.

To implement appropriate controls over export or domestic transactions should the products or technologies be used in relation to weapons of mass destruction or conventional arms.

To comply with the requirements of Mitsubishi Electric, being our parent company and a valued customer.

3. Internal Compliance Program

:: Philippine Laws related to Export Control ::

2. Enumerates the laws we have to know and comply with which includes among others:

2.1 ***RA 6969** – An Act to Control Toxic Substances and Hazardous and Nuclear Wastes, Providing Penalties for Violations Thereof, and for other purposes.

2.2 ***PD 930** – Promulgation of Rules and Regulations Further Simplifying Export Procedures and Documentation
(EO 1016 – Revised list of products that are prohibited and regulated for exports)

3. Internal Compliance Program

:: 3.2 Philippine Laws Related to Export Control ::

2.3 ***EO 39** – Designating the Anti-Terrorism Council as the Philippine National Authority on the Chemical Weapons Convention (CWC) and Other Disarmament Laws of the Philippines

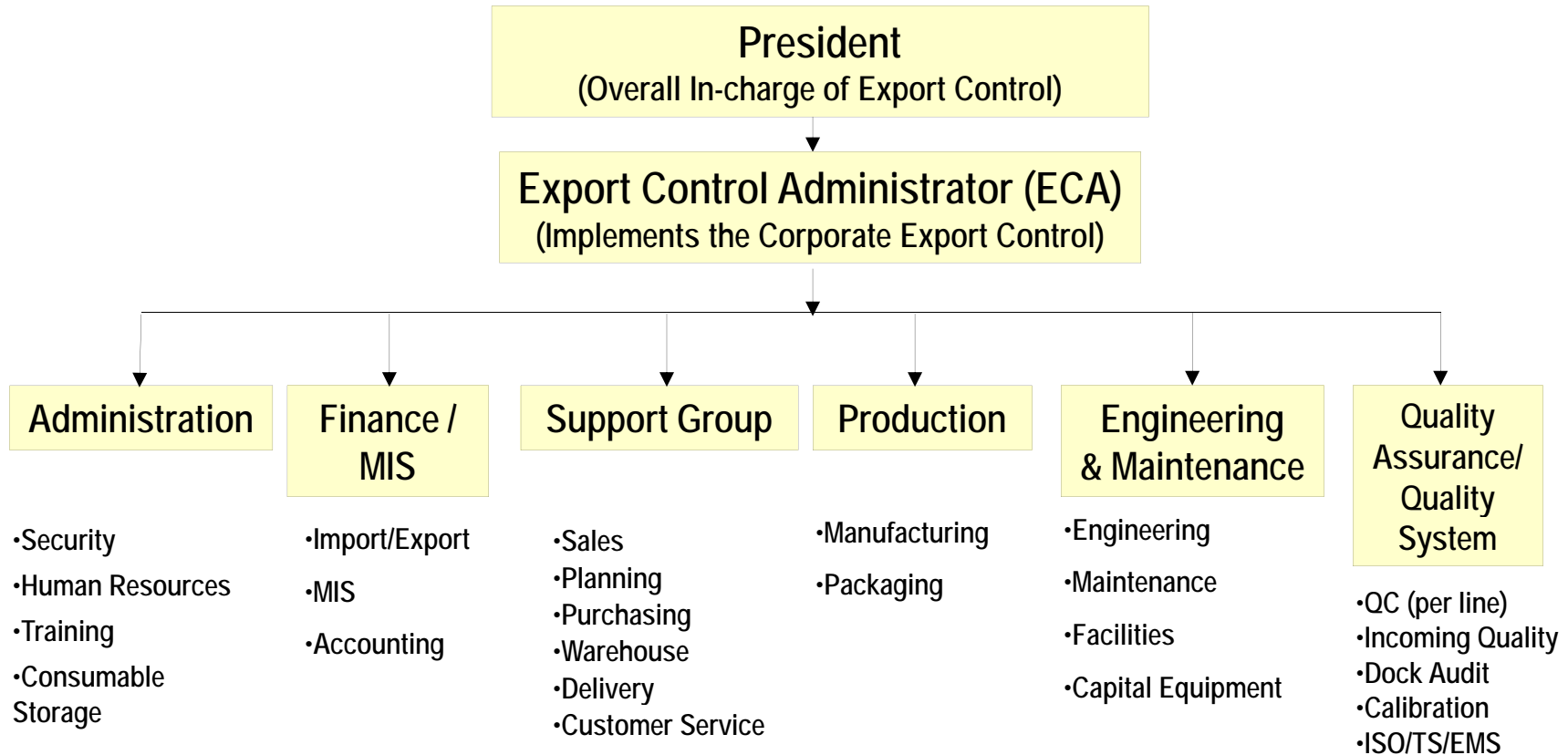
2.4 ***EO 522** – Prescribing Rules and Regulations for the control and Supervision of the Importation, Sale and Possession of Chemicals Used as Ingredients in the Manufacture of Explosives, and for their Purposes

** These are just examples of laws we requested our corporate lawyer to provide to us. We are eagerly awaiting for the pending bills in the Senate to be passed into law which are “An Act to Prevent the Proliferation of Chemical, Biological, Radiological and Nuclear Weapons...” and “An Act to Prevent the Proliferation of Weapons of Mass Destruction...”*

3. Internal Compliance Program

:: 3.2 Organization for Export Control ::

3. Identifies Responsibility/Authority



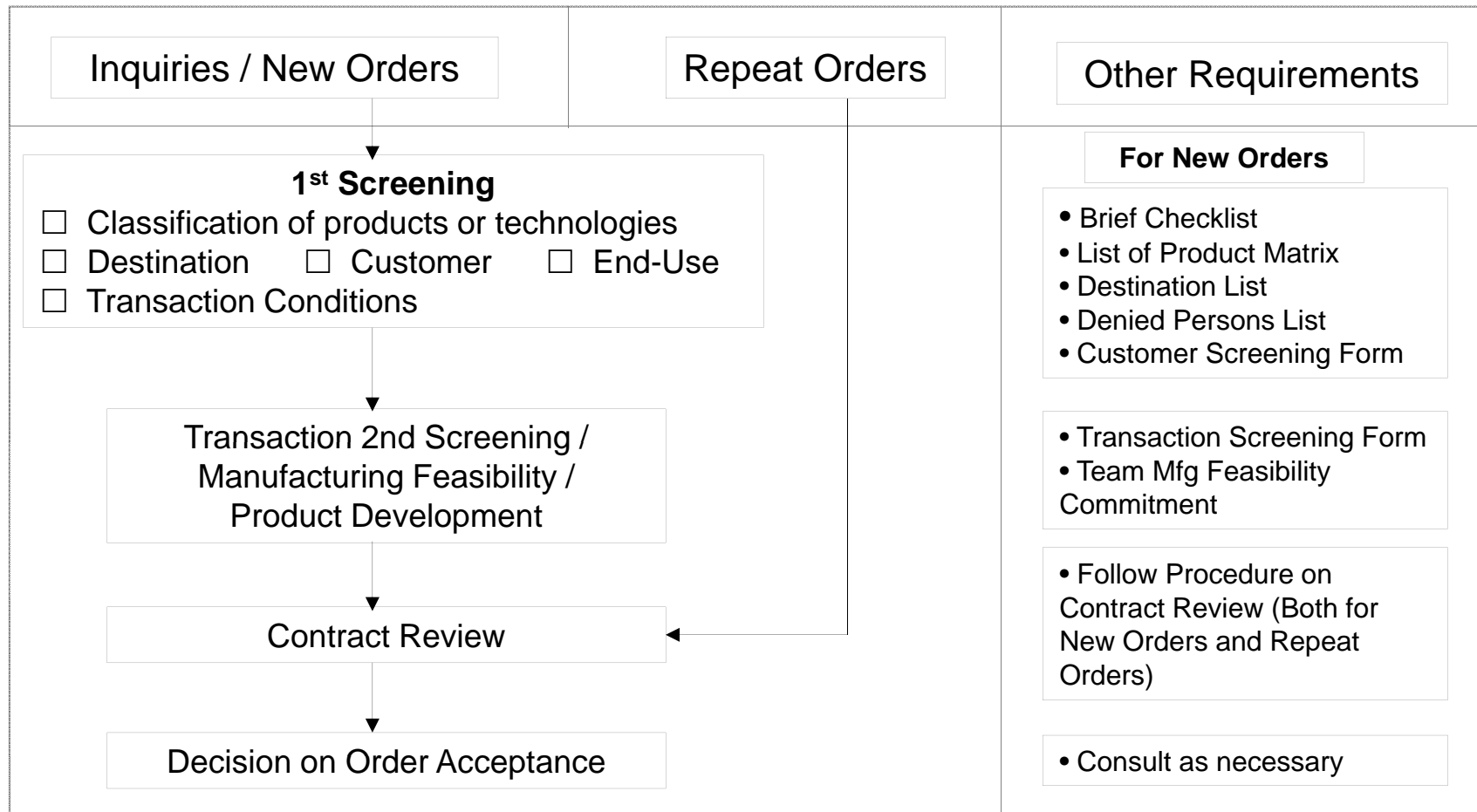
3. Internal Compliance Program

:: 3.4 Procedure ::

4. Defines the Procedure we follow for each and every transaction of our operations (Export Control Flow shown on next page).

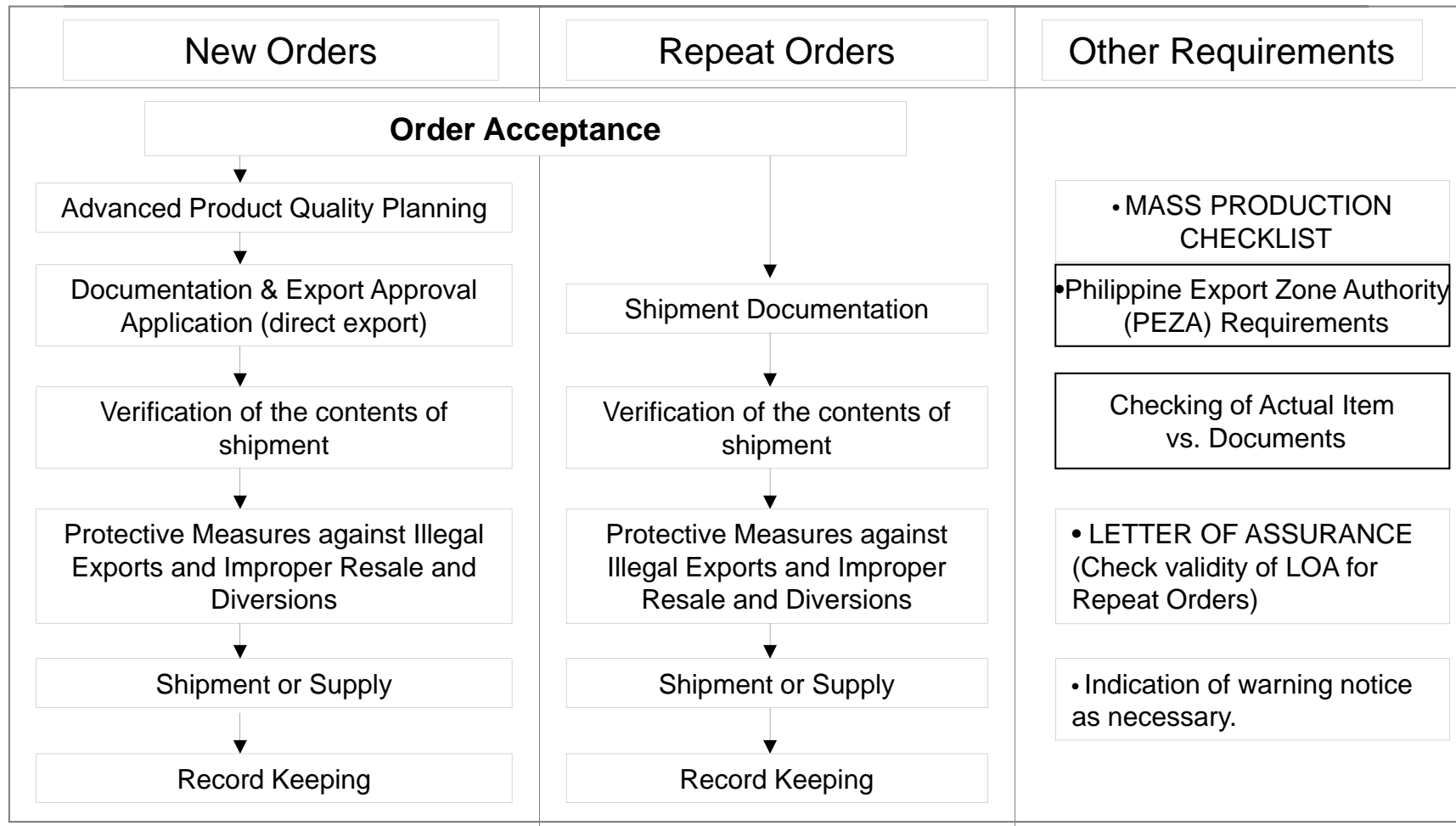
3. Internal Compliance Program

:: 3.4 Export Control Flow ::



3. Internal Compliance Program

:: 3.4 Export Control Flow ::



4. Other Activities in the ICP

:: 4.1 Transaction Screening ::

1st Screening using the Five Key Elements

- Classification**
 - Determine if item is controlled or not
- Destination**
 - Check Export Destination
- Customer / End User**
 - Confirm if end use is WMD-related
- End Use**
 - Confirm if end use is WMD-related
- Overall transaction conditions**
 - Consult as necessary

4. Other Activities in the ICP

:: 4.1 Transaction Screening ::

2nd Screening by Export Control Administrator

- Accomplishment of Team Manufacturing Feasibility Commitment
- Evaluation of Transaction Screening (1st Screening)

Assistance of Mitsubishi Electric Group (as necessary)

- As a domestic manufacturing company engaged in the importation and exportation from and to Japan and other countries, LAMCOR follows both Philippine laws and the regulations of Japan and other countries related to Export Control thru Mitsubishi Electric Group. Therefore, when in doubt we refer the matter to Mitsubishi Electric Group for advice.

4. Other Activities in the ICP

:: 4.2 Order Control ::

- Before Mass Production, we ensure that the proper screening for Security Export Control was conducted.
- Export Approval Application with concerned government agencies is obtained.
- We ensure appropriate and correct documentation of our transactions.

4. Other Activities in the ICP

:: 4.3 Export & Sales Control ::

We also follow the “Foreign Exchange and Foreign Trade Law” of Japan and therefore:

- We do not sell components/parts for vehicles to be used for military applications.
- We do not transfer technology or software that can be used for military applications.
- We do not produce specially-designed products for military applications.
- We do not transfer or resell machineries and equipment for the use in relation to weapons of mass destruction or conventional arms.

4. Other Activities in the ICP

:: 4.4 Education & Training ::

- LAMCOR ensures that employees have undergone proper orientation and training on Security Export Control.
- An internal audit is conducted at least once a year.
- We have also included the suppliers in our program on Export Control and to enhance their knowledge we intend to hold a seminar for them to be held within the middle of this year.
- The ECA goes to the site from time to time to check the Export Control activities and to remind the employees about the importance of consistent implementation of the ICP.

4. Other Activities in the ICP

:: 4.5 Formation of Core Team ::

- Each **Management Committee** member is a member of the Core Team to ensure compliance of the **ICP** in each Department/Section.
- The Core Team meets regularly every other month to discuss each department's concerns and activities and also it is the venue for the ECA to give updates.

:: 5. Support from Mitsubishi Electric ::

Export Control Manual

- Mitsubishi Electric provides updated manual to LAMCOR for use as our reference.

Education and Training

- To upgrade our skills on Export Control, Mitsubishi Electric continually conducts training to LAMCOR Core Team.

Verification and Audit

- The Automotive Equipment Group of Mitsubishi Electric Headquarters conducts regular verification and audit on LAMCOR Export Control activities to ensure compliance to our ICP.

6. Corporate Responsibility

:: 6.1 Compliance to Other Philippine Laws ::

As a Corporate Responsibility, LAMCOR respects other Philippine laws such as:

- Corporation Code of the Philippines
 - Philippine Special Economic Zone Act
 - The Labor Code of the Philippines
 - Environmental Management laws
 - etc.
- LAMCOR has designated Representatives (Vice-President or General Manager level) to ensure compliance of the above laws and institute controls to maintain our corporate ethical standard. These are:
 - CEO (Chief Compliance Officer)
 - ECA (Export Control Administrator)
 - ICFT (Internal Control over Financial Reporting)
 - Internal Control
 - Security Control
 - EMR (Environmental Management Representative)
 - LAMCOR has self-check and self-audit system and submit report to the President.

:: 6.2 Certificates & Awards ::

ISO/TS16949
since May 2006



ISO14001
since Aug 2005



6. Corporate Responsibility

EXEMPLARY PARTICIPATION & CONTRIBUTION TO ENVIRONMENTAL PROJECTS

LTI RECOGNITION – November 2010



OUTSTANDING ENVIRONMENTAL PERFORMER

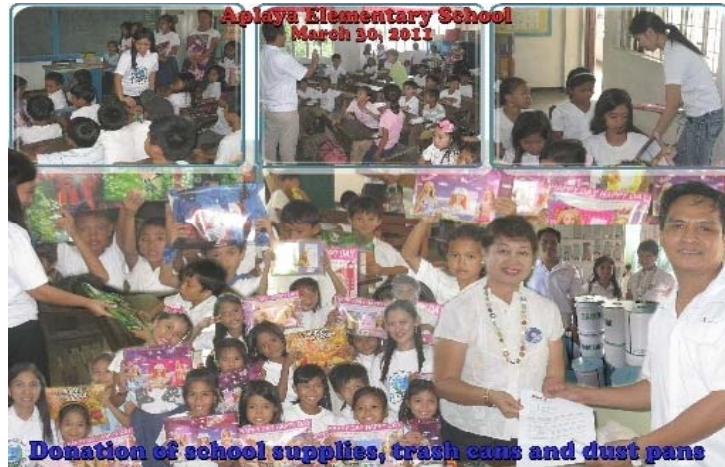
PEZA AWARD April 2007 and March 2011



Company President received the award from President Aquino & PEZA Director General Lilia De Lima

:: 6.3 Philanthropic Activities ::

School Donations



6. Corporate Responsibility

Charitable Donations



Environmental awareness programs





LAMCOR is a Japanese company but our operation is in the Philippines. So we will keep and uphold Philippine laws and we will continue to do our share to improve the quality of life of the Filipino people.

Thank You!