



## ANGELES ELECTRIC CORPORATION

### ALTERNATIVE DISPUTE RESOLUTION POLICY

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#### *Section 1. Purpose*

The Alternative Dispute Resolution Policy ("ADR" or the "Policy") aims to establish an alternative dispute resolution mechanism to resolve disputes in an amicable and effective manner.

#### *Section 2. Scope*

This Policy shall cover disputes between the Company and its shareholders.

#### *Section 3. Definition of Terms*

- **Company** refers to Angeles Electric Corporation or "AEC".
- **Shareholder** refers to any person, company, or institution that owns shares in a Company's stock.

#### *Section 4. Application and Policies*

In resolving disputes between the Company and its shareholders, the Company may resort to alternative modes of dispute resolution as may be agreed upon, such as but not limited to the following:

- Arbitration** - any of the forms of dispute resolution involving a mutually acceptable, neutral third party making a decision on the merits of the case, after an informal hearing which usually includes the presentation of evidence and oral argument. The arbitration is conducted by a local neutral third party or arbitrator, and the decision shall be final and binding. Each party shall bear its own legal costs. The arbitration process aligns with the provisions of R.A 9285 Series of 2004 or the "Alternative Dispute Resolution Act of 2004."
- Mediation** - a voluntary process in which the disputing parties, with the involvement of a neutral third party (the 'mediator'), endeavor to reach an agreement. The mediator has no decision-making power and informally assists the parties in reaching their own mutually acceptable settlement of disputed issues, maintains the channels of communication, articulates the interests of each party, and, if appropriate, may advise or make recommendations on disputed issues. The mediator generally meets separately with each party, taking information in confidence. All information disclosed in the course of mediation is to remain confidential. Mediation emphasizes self-resolution of conflict and may involve more than one mediator.

- c. **Conciliation** - an informal process in which a neutral third party is positioned between the parties to create a channel for communications, usually by conveying messages between parties where it is preferable that they do not meet face-to-face, to identify common ground and to eventually re-establish direct communications between the parties, and possibly achieve a settlement.
- d. **Early Neutral Evaluation** - a voluntary process wherein parties and their lawyers are brought together early in a pre-trial phase to present summaries of their cases and receive a nonbinding assessment by an experienced, neutral person, with expertise in the subject in the substance of the dispute.
- e. **Mini-trial** - a structured dispute resolution method in which the merits of a case are argued before a panel comprising senior decision makers with or without the presence of a neutral third person, after which the parties seek a negotiated settlement.

#### ***Section 5. Compliance***

The Compliance Officer shall take responsibility for ensuring compliance with the implementation of this Policy. He/she is also responsible for keeping the Board informed of any deviations from this Policy.

#### ***Section 6. Amendment of this Policy***

The Corporate Governance Committee, in coordination with the Compliance Officer and other authorized persons, regularly reviews, updates, and improves the Policy.

#### ***Section 7. Effectivity***

This Policy shall take effect immediately upon approval of the Board of Directors.

**ENDORSED BY:**

On behalf of the Corporate Governance Committee

  
**IVANNA G. DE LA PENA**

Independent Director/  
Governance Committee Chairperson

**APPROVED BY:**

On behalf of the AEC Board

  
**GEROMIN T. NEPOMUCENO**

Director/ Chairman of the Board