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# JACKSTONES, INC.

593 Antonio Drive, Bagumbayan, Taguig City 1630

<b><u>POLICY ON ALTERNATIVE DISPUTE RESOLUTION MECHANISM FOR INTRA-CORPORATE DISPUTES AND OTHER STAKEHOLDERS</u></b>	Version No:
	Initial Issue Date:
	Revision Date:
	Revision No:

## Section 1. Purpose.

Jackstones, Inc. (“Corporation”) is committed to recognizing, promoting, and protecting the rights of its shareholders and stakeholders. This commitment includes efforts to reach a prompt and fair resolution of disputes that may arise from time to time between or among the people comprising the Corporation.

Thus, the Corporation created an alternative dispute resolution mechanism for intra-corporate disputes and other stakeholders (“Policy”) that provides a structured approach to effectively and fairly respond to complaints in a professional and timely manner.

## Section 2. Scope.

This Policy provides a process for handling and resolution of complaints involving intra-corporate controversies.

## Section 3. Objectives.

This Policy seeks to accomplish the following objectives:

- A. To ensure that shareholders and stakeholders have access to a process that will resolve complaints and disputes in a timely, efficient, and courteous manner.
- B. To embed an effective and efficient complaints management process that is aligned with the Corporation’s business values, core vision, and strategic objectives.
- C. To record, assess, and review complaints on an ongoing basis in order to improve the Corporation’s conduct of business.
- D. To review and monitor the Corporation’s performance against the procedures outlined in this Policy.

## Section 4. Definitions.

- A. **Complaint** refers to a written expression of dissatisfaction made to the Corporation, and it relates to the Corporation’s activities, operations, policies,

employees, where a response or resolution is explicitly or implicitly expected. This must take the form provided by the Corporation attached herewith as Annex "A"

- B. **Complainant** refers to a party who makes a complaint under this Policy.
- C. **Dispute** refers to a situation wherein two or more parties representing different interests have a conflict or disagreement about their interest in the Corporation.
- D. **Intra-corporate controversy** refers to a controversy that complies with the following factors:
  - 1. It arises out of intra-corporate relations, relationship of the Corporation with the public, relationships between or among shareholders, or relationships between the shareholders and the Corporation, and
  - 2. It must refer to the enforcement of the parties' correlative rights and obligations under the Revised Corporation Code of the Philippines and the Corporation's internal and intra-corporate regulatory rules.
- E. **Stakeholder** refers to any party that has an interest or concern in the Corporation's activities, operations, policies, or employees.

## **Section 5. Complaint Handling and Dispute Resolution Coordinator.**

- A. When the need arises, the Board of Directors shall appoint a Complaint Handling and Dispute Resolution Coordinator who shall be responsible for managing and coordinating the implementation of this Policy.
- B. The Complaint Handling and Dispute Resolution Coordinator shall have the following minimum qualifications:
  - 1. A shareholder of the Corporation;
  - 2. A shareholder of good moral standing;
- C. The Complaint Handling and Dispute Resolution Coordinator must ensure reasonable assistance is provided to the Complainant. Such reasonable assistance to be extended to the Complainant can be in the form of updates on the status of the complaint, discussions with the respective officers involved, and other equitable remedies that may be agreed upon by the Complaint Handling and Dispute Resolution Coordinator and the Complainant.
- D. The Complaint Handling and Dispute Resolution Coordinator must ensure that a Complaints and Disputes Register ("Register") is established, maintained, and kept up-to-date.
  - 1. The Register shall contain a copy of each Complaint.

2. At a minimum, the Register must include the following information about every Complaint that is received:
  - a. Date complaint is made;
  - b. Nature of complaint;
  - c. Issue;
  - d. Estimated Date of Resolution.
  - e. Action taken to investigate the complaint;
  - f. Date resolved; and
  - g. How resolved.
3. The Complaint Handling and Dispute Resolution Coordinator must periodically review the Register to check if complaints are being handled appropriately and in accordance with this Policy, and within the required timeframes.
4. The Register must also be tabled annually at Executive Committee meetings.

## **Section 6. Committees.**

### **A. General Provisions.**

1. When the need so arises, there shall be two (2) committees involved in the implementation of this Policy: the Investigation Committee and the Hearing Committee.
2. The Board of Directors shall appoint the Chairpersons of the Investigation Committee and the Hearing Committee among the members of the Board of Directors whenever the Complaint Handling and Dispute Resolution Coordinator refers a complaint before the Board of Directors.
3. The Chairpersons of the Investigation Committee and the Hearing Committee shall possess the following minimum qualifications:
  - a. A shareholder of the Corporation;
  - b. A shareholder of good moral standing;
4. The members of the Investigation Committee and the Hearing Committee shall possess the minimum qualifications required of the Committee Chairpersons, as provided below:
  - a. The candidate shall exhibit high standards of integrity, commitment, and independence of thought and judgment.
  - b. The candidate shall be committed to representing the long-term interests of the Company's stockholders.
  - c. The candidate shall have sufficient time and availability to devote to the affairs of the Company, particularly in light of the number of boards on which the nominee may serve.

- d. To the extent the candidate serves or has previously served on other boards, the candidate shall have a demonstrated history of contributing at board meetings.
      - e. The candidate meets any other minimum qualifications and other criteria for Board membership approved by the Board from time to time.
  - 5. The Investigation and Hearing Committees shall have recommendatory powers only.
- B. Investigation Committee.
  - 1. Composition.
    - a. The Investigation Committee shall be composed of a Chairperson and such other persons as the Chairperson may appoint.
    - b. The Chairperson may appoint two (2) members to the Investigation Committee.
    - c. Members of the Hearing Committee are not eligible to be a member of the Investigation Committee.
  - 2. Duties and Responsibilities.
    - a. The Investigation Committee shall gather information relating to the dispute.
    - b. The Investigation Committee shall take any practical step that may resolve the dispute without the need for a hearing.
    - c. The Investigation Committee shall issue a written recommendation to the Board of Directors regarding the Complaint.
    - d. When a hearing is necessary, the Investigation Committee shall fairly present all relevant information to a Hearing Committee by means of evidence acceptable to the Hearing Committee.
- C. Hearing Committee.
  - 1. Composition.
    - a. The Hearing Committee shall be composed of a Chairperson and such other persons as the Chairperson may appoint.
    - b. The Chairperson may appoint two (2) members to the Hearing Committee.
    - c. Members of the Investigation Committee are not eligible to be a member of the Hearing Committee.
  - 2. Duties and Responsibilities.
    - a. The Hearing Committee shall provide a fair hearing, if necessary. A fair hearing means that the parties to the complaint or dispute are given:

- i. A notice of the hearing,
  - ii. A right to hear or see all information pertaining to the Complaint or dispute,
  - iii. An opportunity to provide his/her/its own information and arguments. and
  - iv. If an oral hearing is conducted (rather than a hearing based solely on written submissions and documents), the right to question witnesses.
- b. The Hearing Committee shall issue a written recommendation to the Board of Directors regarding the Complaint.

## **Section 7. Procedure.**

- A. General Requirements of Each Stage. The Corporation, acting thru the Complaint Handling and Dispute Resolution Coordinator, shall adopt an effective and efficient complaint and dispute resolution process that:
1. Is documented;
  2. Is communicated to all persons concerned;
  3. Has stated time limits for each stage of the process;
  4. Treats each complaint separately and on its merits; and
  5. Is reviewed annually.
- B. Submission of a Complaint or Dispute.
1. All complaints shall be directed and submitted to the Complaint Handling and Dispute Resolution Coordinator.
  2. Upon submission, the Complaint Handling and Dispute Resolution Coordinator shall acknowledge in writing the receipt of the Complaint within three (3) working days from receipt and shall enclose a copy of this Policy for the Complainant's information.
  3. The Complaint Handling and Dispute Resolution Coordinator shall, within three (3) working days from sending the written acknowledgment to the Complainant:
    - a. Notify in writing the other party or parties involved or impleaded in the complaint;
    - b. Require the other party or parties to submit a letter of explanation to the Complaint Handling and Dispute Resolution Coordinator within five (5) working days from receipt of written notice; and
    - c. Furnish the same parties with a copy of the Complaint.
  4. The Complaint Handling and Dispute Resolution Coordinator shall, within three (3) working days from sending the written acknowledgment to the Complainant, refer the Complaint to the Board of Directors for the purpose of appointing the Chairperson of the Investigation Committee.

5. The Board of Directors shall appoint the Chairperson of the Investigation Committee within three (3) working days after receipt of notice that a Complaint is submitted for resolution.
6. The appointed Chairperson of the Investigation Committee shall, within three (3) working days from being appointed, appoint two (2) members to be part of the Investigation Committee responsible to investigate the Complaint.
7. The Complaint Handling and Dispute Resolution Coordinator shall record in the Register the names of the Chairperson and members of the Investigation Committee as the persons mandated to investigate the dispute.

C. Investigation Proper.

1. The Investigation Committee shall, within five (5) working days from being completed, notify the parties that a preliminary conference shall be conducted on a particular date and time.
2. The parties can submit documents and other pieces of evidence during the preliminary conference.
3. Should any party fail to appear in the preliminary conference without any reasonable excuse, it shall be tantamount to a waiver of his/her/its right to be heard and the right to submit documents and other pieces of evidence.
4. The Investigation Committee shall, in its discretion, gather additional information from sources other than the parties.
5. The Investigation Committee shall decide how many days are needed to resolve the dispute, but it shall not be more than thirty (30) days counted from the date of the preliminary conference. The decision shall be in writing and all parties shall be furnished a copy of the same.
6. The Investigation Committee shall appoint a person to take down all the minutes of all the meetings held to resolve the dispute. Said person shall submit the minutes of all the meetings to the Complaint Handling and Dispute Resolution Coordinator for recording purposes.
7. The Investigation Committee shall take any practical step that may resolve the dispute without the need for a hearing.
8. The Investigation Committee shall issue a written recommendation stating a summary of the following information:
  - a. Relevant facts;

- b. Evidence submitted by the parties;
  - c. Rationale of the recommendation; and
  - d. Recommendation itself.
9. The Investigation Committee shall submit the written recommendation to the Board of Directors three (3) business days after the same is made.
10. The Board of Directors may adopt, alter, or reject the said recommendation. The decision to adopt, alter, or reject the written recommendation of the Investigation Committee shall be in writing.
- a. In case the Board of Directors adopts the written recommendation, the Investigation Committee shall implement the written recommendation.
  - b. In case the Board of Directors alters the written recommendation, the Investigation Committee shall alter it accordingly, and it shall implement the modified written recommendation.
  - c. In case the Board of Directors rejects the written recommendation, the Board of Directors shall impose its own decision, and the Investigation Committee shall implement the decision.
11. The Investigation Committee shall furnish the Complaint Handling and Dispute Resolution Coordinator a copy of its written recommendation for purposes of recording it in the Register.
12. The Board of Directors shall notify the Complaint Handling and Dispute Resolution Coordinator of its decision to approve, alter, or reject the written recommendation of the Investigation Committee for purposes of recording the same in the Register.
13. However, in case the Investigation Committee thinks that a hearing is proper and necessary to resolve the dispute, it shall give the Board of Directors a written recommendation stating such opinion.

D. Hearing Proper.

- 1. In case the Investigation Committee recommends that a hearing be conducted to resolve the dispute, and the same is approved by the Board of Directors, the Board of Directors shall then appoint the Chairperson of the Hearing Committee within three (3) working days from receipt of the written recommendation from the Investigation Committee.
- 2. The appointed Chairperson of the Hearing Committee shall, within three (3) working days from being appointed, appoint two (2) members to be part of the Hearing Committee responsible to hear the specific dispute.

3. The Investigation Committee shall, within three (3) working days after the Hearing Committee has been completed, fairly present to it all relevant information about the dispute by means of evidence acceptable to the Hearing Committee.
4. The Chairperson of the Hearing Committee shall give the parties a notice of the first hearing within three (3) working days after the Hearing Committee is officially completed. The notice shall inform the parties of the date of the first hearing.
5. During the first hearing, the parties may:
  - a. Submit more supporting documents, and
  - b. Request the Hearing Committee to grant them the opportunity to question the witnesses of the other party at another hearing date.
6. The Hearing Committee shall decide when the witnesses may be questioned.
7. The Hearing Committee shall decide how many days and hearings are needed to resolve the dispute, but it shall not be more than thirty (30) days counted from the date of the first hearing. The decision shall be in writing and all parties shall be furnished a copy of the same.
8. The Hearing Committee shall appoint a person to take down all the minutes of all the meetings held to resolve the dispute. Said person shall submit the minutes of all the meetings to the Complaint Handling and Dispute Resolution Coordinator for recording purposes.
9. The Hearing Committee shall issue a written recommendation stating a summary of the following information:
  - a. Relevant facts;
  - b. Evidence submitted by the parties;
  - c. Rationale of the recommendation; and
  - d. Recommendation itself.
10. The Hearing Committee shall submit the written recommendation to the Board of Directors within three (3) working days after the same is made.
11. The Board of Directors may adopt, alter, or reject the said recommendation. The decision to adopt, alter, or reject the written recommendation of the Hearing Committee shall be in writing.
  - a. In case the Board of Directors adopts the written recommendation, the Hearing Committee shall implement the written recommendation.



- b. In case the Board of Directors alters the written recommendation, the Hearing Committee shall alter it accordingly, and it shall implement the modified written recommendation.
- c. In case the Board of Directors rejects the written recommendation, the Board of Directors shall impose its own decision, and the Hearing Committee shall implement the decision.

12. The Hearing Committee shall also furnish the Complaint Handling and Dispute Resolution Coordinator a copy of its written recommendation for purposes of recording it in the Register.

13. The Board of Directors shall notify the Complaint Handling and Dispute Resolution Coordinator of its decision to approve, alter, or reject the written recommendation of the Hearing Committee for purposes of recording the same in the Register.

E. External Dispute Resolution.

- 1. Any decision of the Board of Directors is without prejudice to other legal remedies available to the parties.

**Section 8. Regular Review.**

The Board of Directors shall review this Policy on an annual basis and modify the same upon consideration of existing factors and when it deems necessary.

**Section 9. Approval**

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