

GUIDELINES FOR PARTICIPATION THROUGH REMOTE COMMUNICATION AND VOTING *IN ABSENTIA*

The CY2021 *Virtual* Annual General Membership Meeting (AGMM) of the Philippine Electricity Market Corporation (“PEMC” or “Corporation”) is scheduled on 21 July 2021 at 15:00 (3:00 PM). The Corporations’ Board of Directors (“PEM Board”) has set the close of business on 21 June 2021 for the determination of Sectoral Members in good standing who are entitled to the notice of, attend, witness or participate in, and to vote on the CY2021 AGMM and any adjournment thereof.

As part of PEMC’s initiative for transparent Wholesale Electricity Spot Market (“WESM”) governance, the PEM Board has approved and authorized the Members, or their proxies to attend, witness, participate and vote in the CY2021 *Virtual* AGMM through remote communication or *in absentia* to ensure the participants’ health and safety in the confines of their residence or office. For purposes hereof, Members who participate through remote communication or *in absentia* shall be deemed present for purposes of quorum¹.

STEP 1: REGISTRATION

Sectoral Members should SUBMIT the Registration Requirements via email to pemc_ocs@wesm.ph not later than **5:00 PM, 12 July 2021** for appropriate validation. Only those validated shall be given access to vote online *in absentia* and to participate in the live streaming of the CY2021 AGMM.

- A. The following are required for Registration and must be submitted no later than **5:00 PM, 12 July 2021**:
- A scanned copy of the filled-out **Member Registration/Update Form**, which contains the following details:
 - Complete Name of the Duly Appointed Authorized Representative of the Sectoral Member (if the Duly Appointed Authorized Representative is the President/General Manager or Chairman of the Board of Directors, the submission of the Secretary’s Certificate
 - Classification of Sectoral Membership
 - Valid and active email address of Duly Appointed Authorized Representative of the Sectoral Member
 - Valid and active contact number (landline or mobile number) of duly appointed Authorized Representative of the Sectoral Member and/or that of the Authorized Representative executive assistant, if available.
 - For the Generation Sector: MW capacity indicted in the Certification of Compliance of each power plant registered in the MW
 - For Private Distribution Utilities (DU): Total number of customers served as filed with the Energy Regulatory Commission (ERC)
 - A duly signed **Letter of Intent** which signifies the consent of the Sectoral Member to participate through remote communication and vote in absentia or by proxy in the 2021 AGMM and its commitment to adhere to these Guidelines, Election Rules, and the approved resolutions thereon.

¹ Section 57, Revised Corporation Code

- A scanned copy of the front and back portions of the valid government-issued photo ID of the Sectoral Member's duly appointed authorized representative, preferably with residential address. This must be in a digital, PDF format. Valid types of government-issued photo IDs include the following: Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, SSS ID, Pag-Ibig ID, and Senior Citizen ID.

IMPORTANT:

- 1. Those who have previously submitted their Member Registration/Update Form need not register again.**
 - **A validation email from the Office of the Corporate Secretary shall be send seeking confirmation whether the information on file – name and email address of Authorized Representative, generated capacity (for generation sector) or total number of customers served (for Private Distribution Utilities) remains to be correct at the current time.**
 - ***If there is already a change in the information, the Member shall be required to resubmit its Member Registration/Update Form with the correct information.***
- 2. Only upon validation by the Member shall the registration be deemed complete.**

B. The following supporting documents can be submitted one day before the CY2021 AGMM or on 20 July 2021.

- For the Generation Sector: A scanned copy of updated Certification of Compliance of each power plant registered in the MW
- For Private DUs: A scanned copy of the Latest Report submitted to the ERC
- A scanned copy of a **Secretary's Certificate** or **Board Resolution** showing the authority of the duly appointed representative to vote for and on behalf of the Sectoral Member. This must be in digital pdf format. Please see sample **Secretary's Certificate**.

IMPORTANT:

If applicable, the Sectoral Member shall be duly notified through email by the Office of the Corporate Secretary if there are missing submissions or if the documents submitted require updating.

- C. Sectoral Members who have successfully registered or validated their information **on or before 5:00 PM, 12 July 2021** shall be notified via email by the Office of the Corporate Secretary of their validated registration for the CY2021 AGMM which shall also contain the guidelines based on the manner of voting and participation indicated in his/her duly accomplished Letter of Intent. This guidelines contains rules and instructions on how to cast or submit your votes and what notifications are to be expected among others.
- D. After the 5:00 PM, 12 July 2021 registration deadline, the Sectoral Member can no longer avail of the option to vote *in absentia* using the online election/voting platform. This does not however prohibit the Sectoral Member to cast its vote by designating the Chairman of the Meeting as its proxy or by submitting its votes electronically or via electronic mail.
- E. Each successful registration will be counted to determine quorum. Only Sectoral Members who have registered within the prescribed period, together with the Sectoral Members who voted *in absentia* or by proxy shall be included in the determination of quorum.

STEP 2: VOTING *IN ABSENTIA*

A Sectoral Member may opt to cast his/her vote in absentia using the online election/voting platform by himself or by appointing and naming his/her proxy to vote in his/her behalf in absentia.

IMPORTANT:

A member who does not wish to vote electronically can only appoint the Chairman of the meeting as proxy. The stockholder may either execute the proxy form electronically, or download, fill-up, scan and upload the proxy form found therein.

STEP 2-1: If Voting Online In Absentia (Authorized Representative)

- I. Sectoral Members whose registration were validated are expected to receive an email from the Office of the Corporate Secretary no more than three (3) days from validation their personal password to be logged on the online election/voting platform as well as guidelines on what to expect, how to cast votes online using the election/voting platform and who to reach to in case of lost link, access key, forgotten password or for technical support.
- II. The Authorized Representative shall receive a generated email from the election/voting platform which contains the personal access link and access key of the Authorized Representative to the online election/voting platform. The password endorsed would be required for access to the platform.

IMPORTANT:

In case the Sectoral Member failed to cast his/her vote on or before 18 July 2021, the Chairman of the Meeting shall automatically be named as the proxy for the Sectoral Member and shall cast the votes on behalf of said Sectoral Member.

The election/voting platform will generate an email reminder to those who have yet to cast their votes prior to the 18 July 2021 deadline.

- III. The Authorized Representatives are expected to follow the instructions on the number of votes allowed per item in order to have successful ballot.

- IV. Except for Election of the Members of the Board of Directors of PEMC, each Sectoral Member may choose to vote “YES,” “NO,” or “ABSTAIN.” No one item can be skipped without any vote.
- V. For election of the PEM Board, the Sectoral Members may cast as many vote as there are trustees to be elected but may not cumulate this vote for one (1) or two (2) nominees.
- VI. Once the votes had been cast in all items, the Sectoral Member may once again review the votes cast before submitting the same.
- VII. However, once you click SUBMIT BALLOT, you can no longer change your votes.
- VIII. Once done, an email shall be send to the Authorized Email Address confirming that the votes had been for the Sectoral Member.
- IX. The Authorized Representatives can cast their votes using the online election/voting platform from 12 July to 18 July 2021.

STEP 2-2: If Voting By Proxy using the Online Election/Voting Tool

- a. No more than two (2) days upon receipt of the Corporate Secretary of the Letter of Intent showing intention to appoint or name his or her proxy, the Office of the Corporate Secretary shall acknowledge the same, request for the email address of its third party named proxy and attach a secured copy of the proxy form for completion and accomplishment of the Authorized Representative.

IMPORTANT:

- 1. A Sectoral Member may designate any person of his choice to act as his proxy. Absent any such designation or in cases where the designated proxy should fail to cast the votes, the Chairman of the Meeting shall be deemed authorized and shall be directed to cast the vote as indicated by Sectoral Member in the proxy form.**
- 2. In the absence of any direction for voting indicated in the proxy form, the Chairman of the Meeting or the named proxy shall cast his votes on behalf of the Sectoral Member.**

- b. All proxy forms must be submitted on or before 13 June 2021, 17:00 (5:00 PM).
- c. The validation of proxies shall be conducted on the following day 14 June 2021. The Chairman of the Board, the President and the Corporate Secretary shall act as the

Committee of Inspectors of Proxies who shall validate and act on the duly submitted proxies.

IMPORTANT:

- 1. In case the Sectoral Member changes his mind and wishes to instead vote himself, he may do so by emailing the Corporate Secretary of his intention to revoke the proxy authority.**
- 2. However, this can only be revoked provided the notice of revocation was received at least a day prior to the last day of the voting period or on or before 17 July 2021.**

- d. Once validated, the Office of the Corporate Secretary shall record the details of the named proxy in the election/voting platform and accordingly inform the named proxy via email of his appointment, the designated password to access and cast the votes in the election/voting platform and the guidelines for online voting as outlined in Step 2-1. A copy of the proxy form, if containing voting instructions shall be endorsed as may be applicable.
- e. In case where the Chairman of the Meeting was designated or named as proxy, the Corporate Secretary shall securely keep a hard copy of the proxy form and endorse the same to the Chairman of the Meeting on 19 July 2021, the date for the Chairman of the Meeting to simultaneously cast the votes within his authority. The casting of votes by the Chairman of the Meeting shall be monitored by an External Auditor tasked to certify the correctness and validity of the results.
- f. In instances where the proxy was with voting instructions, a summary of the votes cast by the Chairman of the Meeting shall be securely emailed to the Authorized Representative for his inspection as to compliance. This summary however shall not be automatically endorsed to the Authorized Representative if the votes were cast by a proxy other than the Chairman of the Meeting. In case the Authorized Representative would wish to check the compliance to his voting instructions, an email request must be duly submitted to the Office of the Corporate Secretary, and the latter shall within one (1) working day from request endorse a secured copy of the document requested.
- g. In the event that the Authorized Representative determines that his votes as instructed in the proxy form was not duly followed, an email request may be submitted to the Office of the Corporate Secretary to disregard the ballot and to be allowed either to vote by himself online using the election/voting platform or appoint the Chairman of the Meeting to be proxy. This shall be immediately acted upon by the Office of the Corporate Secretary. However, no request for invalidation or replacement shall be allowed if said request was given on the last day of voting period and onwards.

STEP 2-3: If Voting By Electronic Mail

- a. No more than two (2) days upon validation of the registration and intent of the Authorized Representative to vote remotely via electronic mail the Corporate Secretary shall endorse a copy of password protected ballot using an exclusive encrypted email address. The password to the ballot shall be emailed separately to ensure the sanctity and privacy of the ballot and votes cast.
- b. Once accomplished, the ballot should be emailed to the same exclusive encrypted email address used to endorse the same.

- h. The ballot shall be securely kept and printed for endorsement to the Chairman of the Meeting on 19 July 2021 for simultaneous casting with other votes which are within the authority of the Chairman of the Board to cast. The casting of votes by the Chairman of the Meeting shall be monitored by an External Auditor tasked to certify the correctness and validity of the results.

RUN-OFF ELECTION

In accordance with the Section 12.6 of PEMCs By-Laws, as amended, whose amendments were ratified and confirmed by the Members on February 2018, a *motu proprio* run-off shall be held between the nominees who are tied. The Chairman of the Meeting may at his discretion, request a recess to allow the Office of the Corporate Secretary to prepare for the instant run-off election.

The following are the rules shall however be followed:

1. A run-off election shall be done if two nominees are tied and both are vying for the last available seat in the PEM Board.
2. No run-off election shall be held if:
 - 2.1 If the tie is between two (2) nominees whose votes obtained shall securely give both nominees a seat in the PEM Board.
 - 2.2 If there are equal number of nominees as there are Directors required to be elected.
3. The Run-off election shall be done online using the same election/voting platform.
4. The online ballots in the run-off election shall provide as choices the nominees who were tied and vying for the last available position in the Board.
5. "Abstain" or "No Vote" shall not be a choice in the run-off election.
6. The same voter's list shall be used in the instant run-off election.
7. The nominee receiving the highest number of votes cast shall be declared and given the last available seat in the PEM Board.

RUN-OFF ELECTION RESULTS IN A TIE

If despite the conduct of a Run-off Election, the nominees remained to be tied, the Chairman of the Board shall convene the incumbent Board of Directors and shall among themselves vote between the nominees. In case of tie, the Chairman of the Board shall cast the vote to break the tie.

COUNTING OF VOTES

Counting of votes is done electronically using the same platform for voting. Alternatively, the Office of the Corporate Secretary shall secure copies of the summaries of all votes cast for validation and verification.

The counting of votes shall be verified by an external auditor engaged by PEMC specifically for this purpose. The auditors are expected to certify the results.

PARTICIPATION VIA REMOTE COMMUNICATION

The 2021 AGMM will be broadcasted in a livestream where Members who have successfully registered can watch and participate via remote communication. Details of the meeting, reminders, and step-by-step procedures will be emailed to Members.

- I. Members who have successfully completed the online registration process and were verified by the Corporate Secretary may access the livestream broadcast on 21 July 2021 beginning at 13:30 (1:30 PM). Please note that the CY2021 AGMM proper will start at 15:00 (3:00 PM) Manila time.
- II. The invitation link and log-in credentials for the livestream broadcast will be sent to the stockholders' registered email address within the week of the CY2021 AGMM.
- III. Audio and video recordings of the CY2021 AGMM livestream broadcast will be adequately maintained by the PEMC and will be made available in the PEMC's website after the event.

QUESTIONS AND ANSWERS

Members may submit questions and comments, preferably on or before 12NN on 21 July 2021, which will be read and answered during the livestream of the CY2021 AGMM. Any questions or comments submitted and received, but not addressed during the livestream, shall be answered directly by email to the Member concerned. Additional questions or comments may be sent to cpc-sic@wesm.ph.

For the following concerns, please contact:

For Voting Concerns – cpc-sic@wesm.ph

For Live Stream Issues – pemc.events@wesm.ph

On Member Registration and Validation:

Office of the Corporate Secretary – pemc_ocs@wesm.ph

For Urgent Concerns on Member Registrations and Validations:

You may directly get in touch with our Corporate Secretary, Atty. Marian Dela Fuente at +63 917 836 9860

IMPORTANT DATES:

Monday, 12 July 2021 17:00 (5:00PM)

- Last day to submit the duly signed and accomplished Member Registration/Update Form and Letter of Intent (LOI) and the responses to the validation emails received, if any.

Tuesday, 13 July 2021, 17:00 (5:00 PM)

- Submission of duly signed and dated Proxy Forms

Wednesday, 14 July 2021

- Conduct of the CY2021 Proxy Validation (schedule and further details to be announced)

Sunday, 18 July 2021, 17:00 (5:00PM)

- Last day of Casting of Votes

Tuesday, 21 July 2021, 12:00NN

- Deadline of Submission of Queries or Questions for Discussion during the CY2021 AGMM Open Forum