October 1, 2018

CERTIFICATE OF TAX EXEMPTION NO. 1231-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **DBSN FARMS AGRIVENTURES, CORP.**, with Taxpayers Identification Number (TIN) 000-000-000-000, is exempt from income tax and creditable withholding tax on its income received directly in connection with its registered project, **New Operator of AAA Poultry Dressing Plant and Further Processing Plant**, located at Brgy. Antipolo, Albuera, Leyte, a project duly registered with the Board of Investments (BOI) under Registration No. 2015-224 dated October 21, 2015, for a period of **four (4) years** beginning from **October 2015** or actual start of commercial operations/selling whichever is earlier, but in no case earlier than the date of registration of the project with the BOI, pursuant to Executive Order No. 226, otherwise known as the "Omnibus Investments Code of 1987" and Section 2.57.5 (B) (2) of Revenue Regulations (RR) No. 2-98, as amended.

The grant of tax exemption herein is subject to the compliance with the provisions of applicable BIR rules and regulations and the Terms and Conditions stated hereof. The Company is liable, however, for all other applicable taxes not discussed above.

This Certificate of Tax Exemption is being issued on the basis of the facts and documents as represented and submitted. However, if upon investigation, the BIR ascertains that the facts are different, then this Certificate shall be considered as null and void.

Issued this 1st day of October, 2018.

(SGD.) CAESAR R. DULAY
Commissioner of Internal Revenue

ATTACHMENT

TERMS AND CONDITIONS

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OF THE CERTIFICATE OF TAX EXEMPTION

1. The Exemption from income and creditable withholding taxes covers only income directly attributable to the revenues generated from the registered project, **New Operator of AAA Poultry Dressing Plant and Further Processing Plant**, located at Brgy. Antipolo Albuera, Leyte. For this purpose, the enterprise shall submit audited segregated income statements and simplified income statement form as prescribed by the BOI for this registered project. Net income from operations of the registered activity shall be certified under oath by the Chief Executive Officer (CEO) or Chief Financial Officer (CFO).

2. The Company's service volume and service revenues are as follows:

	Dressing Service			Further Processing Service (Cutting/Marinating/De-boning)		
Year	Volume of Chicken Dressed (No. of Birds)	Dressing Fee Per Bird	Dressing Service Revenue (PhP'000)	Volume of (Dressed) Chicken Further Processed (in kg)	Processing Fee (per kg)	Processing Service Revenue (PhP'000)
1	7,500,000	_____	_____	5,040,000	_____	_____
2	9,000,000	_____	_____	6,048,000	_____	_____
3	10,500,000	_____	_____	7,258,000	_____	_____
4	12,000,000	_____	_____	8,709,000	_____	_____
5	13,500,000	_____	_____	10,451,000	_____	_____

	Blast Freezing Service			Cold Storage Service			TOTAL SERVICE REVENUE (PhP'000)
Year	Volume of Blast Frozen (Dressed Chicken in kg.)	Blast Freezing Fee (per kg)	Blast Freezing Service Revenue (PhP'000)	Volume (in kg)	Cold Storage Fee (per kg)	Cold Storage Service Revenue (PhP'000)	
1	2,250,000	_____	_____	3,000,000	_____	_____	_____
2	2,700,000	_____	_____	3,600,000	_____	_____	_____
3	3,150,000	_____	_____	4,200,000	_____	_____	_____
4	3,600,000	_____	_____	4,800,000	_____	_____	_____
5	4,050,000	_____	_____	5,400,000	_____	_____	_____

3. The Company's entitlement to ITH for its BOI-registered project is subject to the compliance with the provisions of the Specific Terms and Conditions of its BOI Registration.

4. Pursuant to Section 4 of Republic Act (RA) No. 10708, [1] the Company is required to file its tax returns and pay its tax liabilities, on or before the deadline as provided under the National Internal Revenue Code of 1997, as amended, using the electronic system for filing and payment of

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taxes of the BIR. It shall file with BOI a complete annual tax incentives report of its income-based tax incentives, VAT and duty exemptions, deductions, credits or exclusions from the tax base, as may be provided under E.O. 226, within the periods prescribed under RA No. 10708's Implementing Rules and Regulations and Joint Memorandum Circular No. 1-2016 dated September 1, 2016.

5. The Company shall be constituted as a withholding agent for the government if it acts as employer and any of its employees received compensation income subject to compensation withholding tax, or if it makes payments to individuals or corporations subject to the withholding taxes at source as required under Chapter XIII and Section 57 of the National Internal Revenue Code of 1997, as amended, and implemented by Revenue Regulations (RR) No. 2-98, as amended.

6. The Company is required to file on or before the 15th day of the fourth month following the close of its accounting period of a Profit and Loss Statement and Balance Sheet with the Annual Information Return under oath, stating its gross income and expenses incurred during the taxable year.

7. Finally, the Company's books of accounts and other pertinent records shall be subject to periodic examination by revenue enforcement officers of this Bureau for the purpose of ascertaining whether it is complying with the conditions under which it has been granted tax exemption or tax incentives and its tax liability, if any, pursuant to Section 235 of the National Internal Revenue Code of 1997, as amended.

Footnotes

1. An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.

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