REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

Certificate of Tax Exemption No:
BOI-OP-0149-2020

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **SL HARBOR BULK TERMINAL CORPORATION**, with Taxpayer Identification Number , is exempt from income tax and creditable withholding tax on its income received directly in connection with its project, **Bulk Marketing of Petroleum Products under the Downstream Oil Industry Deregulation Act "RA 8479" (Existing Industry Participant with New Investments through Construction of New Oil Terminal in Limay, Bataan)** - 17 Storage Tanks of 35,000 KL combined capacity of Petroleum Products, a project duly registered with the Board of Investments (BOI) under Registration No. dated February 03, 2015, for a period of **5** years without extension, beginning from **May 01, 2015** to **February 28, 2020**, 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 No. 2-98, as amended.

The Income Tax Holiday (ITH) does not cover the revenues generated from the sale of petroleum and non-petroleum products by gasoline stations that the firm services. It shall be limited only to the revenues generated from the sales of registered project (Oil Terminal – 17 tanks of 35,000 KL combined capacity of petroleum products in Limay, Bataan) for bulk marketing of petroleum products covered by Import Entry Declaration or sourced locally from new industry participants pertaining to the capacity of the registered depot (diesel and gasoline tanks). Revenues for bulk marketing of petroleum products that will be entitled to ITH should be at ex-depot prices and importation documents for petroleum products should reflect ownership by SL Harbor oil terminal in Limay, Bataan. For this purpose, the enterprise shall submit audited segregated income statements for this registered project. Net income from operation of the registered activity shall be certified under oath by the Chief Executive Officer (CEO) or Chief Financial Officer (CFO). The enterprise shall also submit the list of cost items common to all its project/activities (whether BOI or non-BOI registered) and the mythology adopted in allocating common cost between the registered and non-registered activity/ies. Interest expense on the enterprise's liabilities shall be appropriately allocated between the registered and non-registered activity/ies.

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 at the back hereof. The Company is liable, however, to all other applicable taxes not enumerated 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 null and void.

Issued this day of FEB 06 2020.

CAESAR R. DULAY
Commissioner of Internal Revenue

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CTE No. 0149-2020
Date issued FEB 06 2020

TERMS AND CONDITIONS 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 sales of registered project (Oil Terminal – 17 tanks of 35,000 KL combined capacity of petroleum products in Limay, Bataan) for bulk marketing of petroleum products covered by Import Entry Declaration or sourced locally from new industry participants pertaining to the capacity of the registered depot (diesel and gasoline tanks). Revenues for bulk marketing of petroleum products that will be entitled to ITH should be at ex-depot prices and importation documents for petroleum products should reflect ownership by SL Harbor oil terminal in Limay, Bataan.

2. The Company is obligated to comply based on the following schedules/sales revenues:

Year	Nature of Services	Volume			Selling Price (Php/Liters)	TOTAL REVENUE Php Billion
		Gross Tank Capacity (Liters)	Turnaround per year	Net Capacity (Liters)		
1	Bulk Marketing of Petroleum Products	35,000,000	6.86	240,000,000		
2	Bulk Marketing of Petroleum Products	35,000,000	7.54	264,000,000		
3	Bulk Marketing of Petroleum Products	35,000,000	8.30	290,400,000		
4	Bulk Marketing of Petroleum Products	35,000,000	9.13	319,440,000		
5	Bulk Marketing of Petroleum Products	35,000,000	10.04	319,440,000		

3. The ITH shall be limited only to the revenues generated from the sales of registered project (Oil Terminal – 17 tanks of 35,000 KL combined capacity of petroleum products in Limay, Bataan) for bulk marketing of petroleum products covered by Import Entry Declaration or sourced locally from new industry participants pertaining to the capacity of the registered depot (diesel and gasoline tanks). Revenues for bulk marketing of petroleum products that will be entitled to ITH should be at ex-depot prices and importation documents for petroleum products should reflect ownership by SL Harbor oil terminal in Limay, Bataan. Revenues derived from the sale of petroleum and non-petroleum products by gasoline stations that the firm services shall not be entitled to ITH.

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

5. 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 1997 Tax Code, as amended, using the electronic system for filing and payment of 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 thirty (30) days from the deadline for filing of tax returns and payment of taxes.

6. 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 as source as required under Chapter XIII and Section 57 of the Tax Code of 1997, as amended and implemented by *Revenue Regulations (RR) No. 2-98*, as amended.

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

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7. 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.

8. 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 Tax Code of 1997, as amended.

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