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

Certificate of Tax Exemption No:
187-2018

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **DAVAO BAY COCONUT OIL MILLS, INC.** (Davao Bay), with Tax Identification Number is exempt from income tax and creditable withholding tax on its income received directly in connection with its registered activities as New Producer of Crude Coconut Oil, Copra Cake/Meal, Cochin (Refined and Bleached Coconut Oil) or Edible Oil (Refined, Bleached and Deodorized Coconut Oil), By-Product (Coconut Fatty Acid Distillates), and Toll Crushing Services, duly registered with the Board of Investments (BOI) under Registration No. dated June 10, 2008, which was amended by BOI Board Resolution No. for a period of **4** years beginning from **July 2009, amended to November 27, 2010 per BOI Board Resolution No. until November 26, 2015, and extended by the BOI Board in its meeting on March 18, 2015, for one (1) year or for the period from November 27, 2015 to November 26, 2016** and limited to the remaining period of the Firm's entitlement to incentives, pursuant to Executive Order No. 226, otherwise known as the "Omnibus Investments Code of 1987" and Sec. 2.57.5 (B)(2) of RR 2-98, as amended.

Moreover, only the sales generated from the registered activities conducted/located at Davao Bay's plant in Km. 14, Pandacan, Davao City shall be entitled to Income Tax Holiday (ITH) incentives.

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 herein. Davao Bay 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 20 2018.

CAESAR R. DULAY
Commissioner of Internal Revenue

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CTE No. 187-2018
Date issued 2-20-2018

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 registered activities as New Producer of Crude Coconut Oil, Copra Cake/Meal, Cochin (Refined and Bleached Coconut Oil) or Edible Oil (Refined, Bleached and Deodorized Coconut Oil), By-Product (Coconut Fatty Acid Distillates), and Toll Crushing Services, located at Davao Bay's plant in Km. 14, Panacan, Davao City.

2. The firm shall adhere to the following timetable and shall notify the Board of any changes thereat:

Activity	Schedule	Related Expenses	Cost (in Php)
Obtain appropriate licenses/agreement/ permits from relevant government agencies concerned, Training of manpower	January-May 2008	Pre-operating expenses	
Site acquisition through execution of deed sale of land	April-June 2008	Land acquisition	
Site preparation and development • Hiring of contractors • Completion of site preparation and development	June 2008- March 2009	Warehouse/lease hold improvement -/civil works/other expenses	
Acquisition of equipment • Placing of purchase orders or opening of letters of credit • Arrival of equipment • Installation of equipment	September 2008- June 2009	Furniture & Fixtures Machinery & Equipment	
Start of commercial Operation	November 27, 2010[1]	Working capital	
		Total Project Cost	

3. Only the sales generated from the registered activities located at Km. 14, Panacan, Davao City shall be entitled to ITH incentives;

4. For Income Tax Holiday (ITH) purposes, revenue generated from the toll crushing services should not exceed 2% of the total sales of the company as represented;

[1] Amended per BOI Board Resolution No. 11-06 S'2011.

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5. Pursuant to Section 4 of Republic Act (RA) No. 10708[2], 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.

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.

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