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

Certificate of Tax Exemption No:
BOI-OP- 0214-2020

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN:

This certifies that **TAGUIBO AQUATECH SOLUTIONS CORP.**, with Taxpayer Identification Number , is exempt from income tax and creditable withholding tax on its income received directly in connection with its project, **Butuan City Bulk Water Supply Project - 60,000 cuber meter per day (CMO)**, a project duly registered with the Board of Investments (BOI) under Registration No. 2017-222 dated July 31, 2017, for a period of **4** years beginning from **July 31, 2017** to **July 30, 2021**, 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) only covers income directly attributable to the revenue generated from the registered project (Butuan City Bulk Water Supply Project), subject to the condition that the ITH incentives shall be limited to the volume of treated water supply which shall not exceed 60,000 cubic meter per day (CMD), which is within the allowable capacity authorized by the National Water Resources Board (NWRB). For this purpose, the enterprise shall submit audited segregated income statements and simplified income statement as prescribed for the registered project.

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 MAR 11 2020, _____.

CAESAR R. DULAY
Commissioner of Internal Revenue

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CTE No. BOI-OP- 0214-2020
Date issued MAR 11 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 registered project (**Butuan City Bulk Water Supply Project**), subject to the condition that the ITH incentives shall be limited to the volume of treated water supply which shall not exceed 60,000 cubic meters per day, which is within the allowable capacity authorized by the NWRB.

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

Year	Nature of Service/s	% Capacity Utilization (if applicable)	Volume Cubic Meters	Rate Domestic (Php/cu.m.)	Total (Php)
Y1	a. Treated Water at Minimum Contract Volume (MCV)	100%	10,037,500	11.0	110,412,500
	b. Treated Water in Excess of MCV	100%	11,132,500	7.15	79,597,375
Y2	a. Treated Water at Minimum Contract Volume (MCV)	100%	10,950,000	11.0	120,450,000
	b. Treated Water in Excess of MCV	100%	10,220,000	7.15	73,073,000
Y3	a. Treated Water at Minimum Contract Volume (MCV)	100%	10,950,000	11.0	120,450,000
	b. Treated Water in Excess of MCV	100%	10,220,000	7.15	73,073,000
Y4	a. Treated Water at Minimum Contract Volume (MCV)	100%	10,950,000	14.00	153,720,000
	b. Treated Water in Excess of MCV	100%	10,248,000	9.10	93,256,800

3. The Company's entitlement to ITH for its BOI-registered project, Butuan City Bulk Water Supply 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 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.

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 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.

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 Tax Code of 1997, as amended.