May 9, 2018

CERTIFICATE OF TAX EXEMPTION NO. 790-18

CERTIFICATE OF TAX EXEMPTION

TO ALL WHOM IT MAY CONCERN :

This certifies that **GNPOWER MARIVELES COAL PLANT LTD. CO.**, with Taxpayers Identification Number (TIN) 000-000-000-000, is exempt from income tax and creditable withholding tax on its income received directly from its **sale of electricity** generated as **New Operator of 600 MW Coal Fired Power Plant (Mariveles, Bataan)**, a project duly registered with the Board of Investments (BOI) under Registration No. 2006-140 [1] dated November 15, 2006, for a period of **six (6) years** beginning from **July 2013** [2] or actual start of commercial operation/selling, whichever is earlier but in no case earlier than the date of registration, 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 at the back 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 null and void.

Issued this 9th day of May, 2018.

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

ATTACHMENT

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 **sale of electricity** as **New Operator of 600**

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MW Coal Fired Power Plant (Mariveles Bataan).

2. 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.

3. Pursuant to Section 4 of Republic Act (RA) No. 10708, [3] 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 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.

4. 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.

5. 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.

6. 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. Originally granted to GNPower Ltd. Co. but transferred to GNPower Mariveles Coal Plant Ltd. Co. per Board Minutes dated May 23, 2007 (page 1 of the Specific Terms and Conditions).
2. The start of commercial operation and ITH reckoning date was originally set on December 2010 but was moved to June 2012 (per Board Minutes dated June 19, 2008) and was again moved to July 2013 (per Board Minutes dated December 9, 2009).
3. An Act Enhancing Transparency in the Management and Accounting of Tax Incentives Administered by Investment Promotion Agencies.

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