

MEMORANDUM OF AGREEMENT
Between the TeaM Energy Corporation and
Barangay Ibabang Polo

*For the Establishment and Administration of Trust Accounts in Accordance with
DC2018-08-0021 for Pagbilao Coal-Fired Thermal Power Plant*

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (the "**Agreement**"), made and entered into by and between:

TeaM Energy Corporation, a private corporation duly organized and existing under the laws of the Philippines, with principal office address at 25F W Fifth Avenue Building, 5th Avenue, Bonifacio Global City, Taguig City, duly represented by its Officer In Charge Mitsuhiro Kojima, hereinafter, referred to as "**TEC**".

and

Barangay Ibabang Polo, a local government unit of the Republic of the Philippines, with office address at the Barangay Hall, Brgy Ibabang Polo, Pagbilao, Quezon, duly represented herein by its Chairman Arnel R. Amandy, per Sangguniang Barangay Resolution No. 2022-38, and hereinafter referred to as "**BGU**".

TEC and **BGU** shall hereinafter be collectively referred to as "**Parties**" and individually as a "**Party**".

WITNESSETH: That

WHEREAS, Section 5 (i) of Republic Act No. 7638 (R.A. No. 7638), otherwise known as the "Department of Energy Act of 1992" mandates the Department of Energy (DOE) to devise ways and means of giving direct benefits to the province, city or municipality, specially the community and people affected and equitable and preferential to the region that Hosts the energy resource and/or the energy-generating facility;

WHEREAS, Energy Regulations No. 1-94 (ER 1-94) was promulgated by the DOE on 01 August 1994 to operationalize the implementation of section 5 (i) of R.A. No. 7638;

WHEREAS, Energy Regulations ("ER") No. 1-94 implementing Section 5(i) of Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992", grant financial benefits to the host communities of the energy-generation company and/or energy resources;

WHEREAS, Section 66 of R. A. No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" and Rule 29(A) of its Implementing Rules and Regulations (EPIRA-IRR) require all energy generation companies (GenCos) and/or energy resource developers (ERDs) to provide financial benefits equivalent to one centavo per kilowatt-hour (P0.01/kWh) of the total electricity sales of the generation facility to the region, province, city or municipality and barangay that host the generation facility and energy resource facility, as well as the establishment of corresponding trust accounts and the administration thereof by the DOE;

WHEREAS, in accordance with Republic Act No. 8371 (RA 8371) also known as "The Indigenous Peoples' Rights Act of 1997", the DOE promulgated Department Circular No. DC2018-03-0005 on 20 March 2018 recognizing the rights of the Indigenous Cultural Communities (ICCs) and Indigenous Peoples (IPs) to their ancestral domain and the natural resources therein and provides for reasonable share in the development and livelihood fund (DLF) and for the reforestation, watershed management, health and/or environment enhancement fund (RWMHEEF) components of the ER 1-94 funds;

WHEREAS, on 07 August 2018, DOE issued Department Circular No. DC2018-08-0021, amending for the purpose Rule 29 (A) of the EPIRA-IRR, to accelerate socio-economic development and to have a more effective and efficient utilization of the funds and to enforce the immediate provision of benefits to Host communities. In this regard, by virtue of the transition to an efficient distribution of funds, the Host Communities shall not withhold or delay issuance of the necessary permits required for the operations of the energy resource and/or energy-generating facility;

WHEREAS, pursuant to Section 6 of DC2018-08-0021 the financial benefit shall be allocated in the following manner:

"6.2. Twenty-five percent (25%) of one-centavo per kilowatt-hour (P0.0025/kWh) for Development and Livelihood Fund ("DLF"); and Twenty-five percent (25%) of one centavo per kilowatt-hour (P0.0025/kWh) for Reforestation, Watershed Management, Health and/or Environment Enhancement Fund ("RWMHEEF");

The DLF and RWMHEEF shall be allocated in the following manner:

- 6.2.1. Community and People Affected -5%
- 6.2.2. Host Barangay/s -20%
- 6.2.3. Host Municipality/ies or City/ies -35%
- 6.2.4. Host Province/s -30%
- 6.2.5. Host ICCs/IPs -5%
- 6.2.6. Host Region -5%

In the absence of Community and People Affected, funds allocated for the same shall form part of the fund for the Host Barangay.

In the absence of ICCs/IPs, the funds allocated for the same shall form part of the fund for the Host Region."

NOW, THEREFORE, in view of the foregoing, the **Parties** hereby stipulate and agree as follows:

Section I. Scope of Agreement

This **Agreement** shall cover the establishment and administration by the **BGU** of separate trust accounts for **DLF** and **RWMHEEF** (the "DLF and RWMHEEF Trust Accounts").

Section II. Responsibilities of the Parties

1. **TEC** shall:

- 1.1 Upon receipt of the Financial Benefits from Power Sector Assets and Liabilities Management Corporation (PSALM), remit directly the same to BGU in the manner set forth in Sections 6 and 7 of DOE DC 2018-08-0021;
- 1.2 The DLF and RWMHEEF shall be remitted quarterly, subject to the submission of Annual Work Plan (AWP), Sanggunian Barangay resolution approving the AWP and Liquidation of Completed Projects by the host beneficiaries;
- 1.3 Establish separate **regular accounts** in trust and/or for the benefit of the ER 1-94 Funds in accordance with the **1st Advisory on the Implementation of DC2018-08-0021**.

2. **BGU** shall:

- 2.1. Be responsible for the opening and maintenance of the DLF and RWMHEEF Trust Accounts in accordance with DC2018-08-0021;
 - a) If the BGU has an existing Trust Accounts, it shall request the Authorized Government Depository Bank (AGDB) to adopt the account names stated below and subsequently issue a certification of the said accounts, its status and current available balance.
- b) If the BGU does not have an existing Trust Account, it shall establish trust accounts specific for the DLF and RWMHEEF, under the account name below:

BARANGAY IBABANG POLO PAGBILAO QUEZON CFTPP DLF
(ER 1-94)
BARANGAY IBABANG POLO PAGBILAO QUEZON CFTPP
RWMHEEF (ER 1-94)

BARANGAY IBABANG POLO PAGBILAO QUEZON CFTPP DLF
(ER 1-94)
BARANGAY IBABANG POLO PAGBILAO QUEZON CFTPP
RWMHEEF (ER 1-94)

All costs related to the opening of such trust accounts shall be considered as administrative expenses and shall be deducted from the DLF and RWMHEEF Trust Accounts.

- 2.2. Maintain the required balance in the DLF and RWMHEEF Trust Accounts (the "Maintaining Balance"), which shall not be withdrawn by BGU.

The fees and charges relative to the maintenance of such trust accounts shall be considered as administrative expenses and shall be deducted from the DLF and RWMHEEF Trust Accounts.

- 2.3. Prepare and submit to TEC the AWP as provided in Section 10 of Circular No. DC2018-08-0021. The AWP shall be submitted in print and in electronic copy to TEC not later than March 15 of every year. It shall identify the priority tangible projects under the DLF and RWMHEEF that can be implemented within the reference year of the AWP. The BGU shall post the validated AWP in its website and in absence thereof, in two (2) conspicuous places within its area. The AWP shall be supported by a Resolution from the Sanggunian, or Council for the Region and ICCPs/IPs, certifying that the said list of tangible projects is in accordance with their respective Comprehensive Development Plan (CDP), Comprehensive Land Use Plan (CLUP), Regional Development Plan (RDP), Regional Physical Framework Plan (RPFPP), Ancestral Domain Sustainable Development and Protection Plan (ADSDPP), Indigenous People Development Plan (IPDP), whichever is applicable;
- 2.4. Conduct minimum social preparation activities such as, but not limited to, community consultations and orientations in the preparation of the AWP.
- 2.5. Accept all remittances made by TEC as deemed certified by the DOE, subject to post audit rules and regulations; and
- 2.6. Issue Official Receipt (OR).

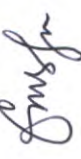


Section III. Effectivity of Agreement

This Agreement shall take effect immediately upon signing by both Parties and remain valid and effective unless revoked, modified and/or amended.

Section IV. Amendments

Any amendment or modification of this Agreement will only be effective upon written consent by the **Parties**.



IN WITNESS WHEREOF, the Parties hereby set their hands this ____ day of _____, 2022 in _____.

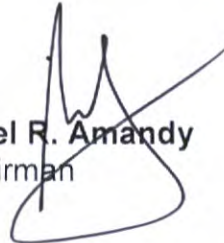
TeaM Energy Corporation

By:


Mitsuhiro Kojima
Officer In Charge

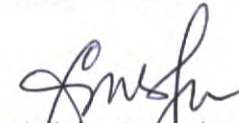
Barangay Ibabang Polo

By:


Arnel R. Amandy
Chairman

Signed in the presence of Witnesses:


Maria Teresa C. Lopez
AVP-Corporate Affairs


CHERRY ANN M. MERCADO
BARANGAY SECRETARY
BARANGAY IBABANG POLO

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) S. S.

BEFORE ME, this JAN 16 day of 2023 at TAGUIG CITY
personally appeared the following:

Name	Designation	Company	ID Number
Mitsuhiro Kojima	Officer In Charge	TeaM Energy Corporation	Japanese Passport Issued on March 10, 2014/Japan Ministry of Foreign Affairs Expires on March 10, 2024

This instrument which consists of 7 pages, including this page on which this acknowledgment is written, has been signed by the above Party and his instrumental witnesses on each and every page thereof and sealed with my notarial seal.

WITNESS MY HAND and SEAL at the date and place first above written.

Doc. No. 505
Page No. 102
Book No. X
Series of 2023.



Notary Public
Rosalie F. Factor

ROSALIE F. FACTOR
Notary Public for Taguig City
Commission No. 47 Until Dec. 31, 2023
Roll of Atty. No. 46239
PTR No. A-5419799 - 01/31/22 - Taguig City
IBP No. LRN-05115 - 01/27/05 - Lifetime PPLM
25/F W Fifth Avenue Building, 5th Avenue
Bonifacio Global City, 1634 Taguig City, Philippines

M

Factor

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
LUCENA, CITY) S. S.

BEFORE ME, this _____ day of _____ 2022 at JAN 09 2023
personally appeared the following:

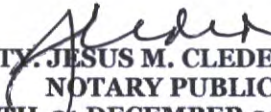
Name	Designation	Company	ID Number
Arnel R. Amandy	Chairman	Barangay Ibabang Polo	SSS ID No. 03-8798741-9

This instrument which consists of 7 pages, including this page on which this acknowledgment is written, has been signed by the above Party and his instrumental witnesses on each and every page thereof and sealed with my notarial seal.

WITNESS MY HAND and SEAL at the date and place first above written.

Notary Public

Doc. No. 254 ;
Page No. 51 ;
Book No. 278 ;
Series of 2022.


ATTY. JESUS M. CLEDERA
NOTARY PUBLIC
UNTIL 31 DECEMBER 2023
MCLE NO. VII-1569774
ROLL NO. 33626/TIN NO. 124-971-707
PTR NO. 1230106/12-16-2022/Lucena City
IBP OR NO. 271955/1-5-2023