

SUPPLEMENTAL AGREEMENT ON LENDERS' STEP-IN RIGHTS

WTEOC / BEOC No. _____

This SUPPLEMENT to [WASTE-TO-ENERGY / BIOMASS ENERGY] OPERATING / CONTRACT NO. _____ (the "RE Contract"), is made and entered into this _____ day of _____ 2026 in Taguig City, Metro Manila, by and between:

The **REPUBLIC OF THE PHILIPPINES**, hereinafter referred to as the "Republic," through the **Department of Energy**, a government agency established pursuant to Republic Act No. 7638, as amended, with principal office address at the Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila, represented herein by its Secretary, [**NAME OF SECRETARY**] (hereinafter referred to as the "DEPARTMENT");

-and-

[**WINNING BIDDER COMPANY NAME**], hereinafter referred to as the "RE DEVELOPER," a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at [COMPANY ADDRESS], represented herein by its [DESIGNATION, NAME] (hereinafter referred to as the "RE DEVELOPER");

Each of the DEPARTMENT and the RE DEVELOPER is referred to as a "Party", and collectively as the "Parties." In the implementation of this Supplemental Agreement, the Republic shall act through and be represented by the DEPARTMENT.

WITNESSETH:

WHEREAS, all forces of potential energy and other natural resources in public and/or private lands, within the Philippine territory, belong to the State and their exploration, development, and utilization are governed by Section 2, Article XII of the 1987 Constitution;

WHEREAS, under Republic Act ("RA") No. 7638, as amended, otherwise known as the Department of Energy Act of 1992, the DEPARTMENT shall establish and administer programs for the exploration, development, and utilization of energy resources, including waste-to-energy resources;

WHEREAS, under RA No. 9513, otherwise known as the Renewable Energy Act of 2008, the exclusive right to explore, develop, or operate a particular renewable energy area under the said Act shall be through a Renewable Energy Operating Contract;

WHEREAS, the RE DEVELOPER was awarded [Waste-to-Energy Operating Contract / Biomass Energy Operating Contract] No. _____ (the “RE Contract”), covering the Contract Area identified thereunder for the development of the [Project Name] (the “WTE Project”);

WHEREAS, the RE DEVELOPER offered the capacity of [_____] MW] of the WTE Project under the Special Auction Round for Waste-to-Energy (“Special GEA-WTE”), with a committed Delivery Commencement Date (DCD) of [INSERT DCD];

WHEREAS, the RE DEVELOPER was declared a Winning Bidder in the Special GEA-WTE through the Notice of Award (NOA) dated [INSERT DATE OF NOA];

WHEREAS, under Section 10.1.5 and Section 15.4 of the Terms of Reference for the Special GEA-WTE (the “Special GEA-WTE TOR”), a Winning Bidder has the sole option to submit a pre-signed Supplemental Agreement on Lenders’ Step-In Rights as part of its Post-Auction Requirements to secure express recognition of its Lenders’ step-in rights and establish notice and cure procedures to ensure project bankability and continuity;

WHEREAS, the RE DEVELOPER has affirmatively exercised its option under Section 10.1.5 and Section 15.4 of the Special GEA-WTE TOR by submitting this pre-signed Supplemental Agreement alongside proof of necessary corporate approvals;

NOW, THEREFORE, for and in consideration of the terms and conditions set forth herein, the Parties hereby stipulate and agree as follows:

SECTION I EFFECTIVITY

- 1.1. Effective Date. This Supplemental Agreement shall become effective on the date of its execution by both Parties.

SECTION II TERMS AND CONDITIONS

- 2.1. Continuation of RE Contract Terms. During the term of [WTEOC / BEOC No. _____], as supplemented, the terms and conditions of the RE Contract shall continue to apply, except as expressly modified in this Supplemental Agreement and subject to applicable laws, rules, regulations, and other DOE issuances.
- 2.2. Creation of Security not an Assignment. The creation of security over WTE Project assets, revenues, or shares in favor of banks, financial institutions, or security trustees (collectively, the “Lender/s”) to secure

project financing shall not constitute a contract assignment under Section 15.1 of the Special GEA-WTE TOR and shall not require prior DOE approval.

SECTION III STEP-IN RIGHTS OF LENDER/S

- 3.1. To ensure the successful implementation of the [WTEOC / BEOC], banks, financial institutions, and/or other persons or entities that finance the procurement of WTE project components and/or the construction and installation of the WTE Project under financing or other similar agreements with the RE DEVELOPER ("Lender/s") may designate, or agree among themselves on the designation of, an entity to be the Assignee of the [WTEOC / BEOC].
 - 3.1.1. Lender/s shall give the Parties written notice of acceptance of the stipulation in its favor within sixty (60) calendar days from receipt of the notice mentioned in Section 3.1.2 below. Such acceptance shall be sufficient if unqualified and submitted together with a duly authenticated copy of the financing or other similar agreement with the RE DEVELOPER and Board Resolution of the Lender/s authorizing the signatory of the notice to accept the stipulation for and on behalf of the Lender/s.
 - 3.1.2. The RE DEVELOPER shall give written notice of the stipulation in favor of Lender/s within thirty (30) calendar days from receipt of the Supplemental Contract duly signed by the Parties, or from receipt of any written notice from the Lender/s on the approval of financing, as applicable. The RE DEVELOPER shall furnish the DEPARTMENT with copies of written notice/s to the Lender/s.
- 3.2. The entity to be designated by the Lender/s as Assignee of the [WTEOC / BEOC] or any extension/renewal thereof must be technically, legally, and financially qualified under applicable laws, rules and regulations, and capable of fulfilling the material obligations under the [WTEOC / BEOC], as may be renewed/extended, this Supplemental Contract, the Special GEA-WTE TOR, and other applicable issuances.
- 3.3. Upon the occurrence/existence of any of the following events/causes, which shall be subject to validation by the DEPARTMENT, as applicable, the Lender/s may file with the DEPARTMENT a request to assign the [WTEOC / BEOC] to the Assignee designated in such request:
 - 3.3.1. Imminent termination of the [WTEOC / BEOC] by the DEPARTMENT for breach of the material terms and conditions of the RE Contract caused solely by the RE DEVELOPER;

- 3.3.2. Relinquishment of the RE Contract by the RE DEVELOPER for causes not attributable to the default of the Lender/s: Provided, That the Step-In Rights of Lender/s which comply with the financing or other similar agreement shall not be adversely affected by the default of other Lender/s under separate financing or similar agreement;
 - 3.3.3. Event of Default under the relevant financing or other similar agreement, duly established by the Lender/s, the happening of which was caused solely by the RE DEVELOPER;
 - 3.3.4. Imminent failure to achieve the committed DCD of the WTE Project due to the fault or negligence of the RE DEVELOPER, regardless of concurrence of the contributory fault or negligence of persons or entities other than the Lender/s;
 - 3.3.5. Other causes similar to the foregoing.
- 3.4. Notwithstanding any rules and guidelines to the contrary, the DEPARTMENT shall approve the request for assignment of the Lender/s if the following conditions are present:
- 3.4.1. The Lender/s submitted a written acceptance of the stipulation in its favor within the period prescribed in Section 3.1.1 above;
 - 3.4.2. The Lender/s delivered proceeds of the financing or other similar agreement to the RE DEVELOPER representing not less than thirty percent (30%) of the Total Cost of the WTE Project, duly evidenced by relevant commercial documents;
 - 3.4.3. Existence/occurrence of any of the cases mentioned in Sections 3.3.1 through 3.3.5 of this Supplemental Contract;
 - 3.4.4. The RE DEVELOPER fails or omits to deliver to the Lender/s the security stipulated, if any, or to comply with any other obligation that arose upon the occurrence of an Event of Default, within the periods prescribed in the financing or other similar agreement;
 - 3.4.5. The Assignee satisfies the requirements set forth in Section 3.2 of this Supplemental Contract; and
 - 3.4.6. There are no other remedies available to the Lender/s except through the assignment of the [WTEOC / BEOC], as may be renewed/extended.
- 3.5. The assignment of the [WTEOC / BEOC], as may be renewed/extended, shall be processed in accordance with prevailing rules and guidelines of the DEPARTMENT insofar as applicable, subject to such additional requirements as may be required by the DEPARTMENT to validate the compliance of the Lender/s with the

conditions set forth in this Section III. Upon approval of the assignment, the Assignee shall prosecute the WTE Project in accordance with the terms and conditions of the [WTEOC / BEOC], or any renewal or extension of said contract.

3.6. Upon the execution of every financing or other similar agreement with a Lender, the RE DEVELOPER thereby unilaterally waives, without limitation, as to such Lender the following:

3.6.1. The right to designate the Assignee of the [WTEOC / BEOC];

3.6.2. Any objection on the designation by the Lender/s of an Assignee, including objections on the technical, legal or financial qualification of such Assignee;

3.6.3. Any other rights under the [WTEOC / BEOC] that are inconsistent with Section III of this Supplemental Contract.

SECTION IV REPRESENTATIONS AND WARRANTIES

4.1. The RE DEVELOPER represents and warrants as follows:

4.1.1. It is a corporation or entity duly formed, established, validly existing and/or licensed to do business, and in good standing under the laws of the Philippines with full power to own its property; to carry on its business as it is now being conducted; and to execute, deliver and perform its obligations under this Supplemental Contract, and the entering into and performance of this Supplemental Contract by the RE DEVELOPER does not conflict with the articles of incorporation, by-laws and other constitutive documents of the RE DEVELOPER and has been duly authorized by all necessary corporate and legal action on the part of the RE DEVELOPER;

4.1.2. The individual signing this Supplemental Contract on behalf of the RE DEVELOPER is duly authorized to sign as of the Effective Date;

4.1.3. There is no litigation, arbitration or administrative proceeding pending or, to the best knowledge of the RE DEVELOPER, threatened against the RE DEVELOPER or its properties the adverse determination of which would adversely affect the ability of the RE DEVELOPER to perform or comply with any of its material obligations under this Supplemental Contract;

SECTION V MISCELLANEOUS PROVISIONS

5.1. Notices.

Any notice, request, or other communication required or permitted to be given under this Supplemental Agreement shall be in writing and shall be delivered personally, sent by electronic mail, or sent by registered mail to the following addresses:

To the DEPARTMENT:

The Secretary
Department of Energy
Energy Center, Rizal Drive, Bonifacio Global City
Taguig City, Metro Manila
Email: gea.wte@doe.gov.ph / recordsreceiving.gea@doe.gov.ph
Telephone: (02) 8479-2900

To the RE DEVELOPER:

[Designation]
[Company Name]
[Office Address]
[Email Address]
[Telephone/Fax Numbers]

Any Party may substitute or change such address with prior written notice thereof to the other Party.

5.2. Governing Law.

This Supplemental Agreement shall be governed by laws of the Republic of the Philippines to the exclusion of laws of other jurisdictions.

5.3. Amendments.

This Supplemental Agreement shall not be amended or modified in any respect except by the mutual consent in writing of the Parties.

5.4. Separability Clause.

Should any provision of this Supplemental Agreement or the application thereof to any situation or circumstance be declared null and void and/or invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain valid and enforceable to the fullest extent. In the event of such partial invalidity or unenforceability, the Parties shall seek in good faith to agree on

replacing the invalid or unenforceable provision with a provision that in effect will most nearly and fairly approximate the effect of the invalid or unenforceable provision through the issuance of appropriate Supplemental Contract/s or agreement/s.

IN WITNESS WHEREOF, the Parties have caused this Supplemental Agreement to be executed by their respective representatives at the place and on the date above written.

Signature Page follows)

DEPARTMENT OF ENERGY

[RE DEVELOPER COMPANY NAME]

By:

By:

[SECRETARY]

Secretary, Department of Energy

[AUTHORIZED REPRESENTATIVE]

Authorized Representative

WITNESSES:

[Acknowledgment]