



ENERGY DEVELOPMENT CORPORATION
(A corporation duly organized and existing under Philippine laws)

PRELIMINARY OFFER SUPPLEMENT

dated March 15, 2021

Offer of ₱3,000,000,000 Fixed Rate ASEAN Green Bonds
With an oversubscription option of up to ₱2,000,000,000 Fixed Rate ASEAN Green Bonds
under its ₱15.0 Billion ASEAN Green Bond Program
consisting of

[•]% p.a. Series A Bonds due 2024
[•]% p.a. Series B Bonds due 2026

at an Offer Price of 100% of Face Value

to be listed and traded through
the Philippine Dealing and Exchange Corp.

**THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES
OR DETERMINED IF THIS OFFER SUPPLEMENT IS ACCURATE OR COMPLETE. ANY
REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE
REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION ("SEC").**

Joint Issue Managers, and Joint Lead Underwriters and Bookrunners



Co-Lead Underwriter



ENERGY DEVELOPMENT CORPORATION

One Corporate Centre,
Julia Vargas Avenue corner Meralco Avenue,
Ortigas Center, Pasig City 1605, Philippines
Trunk line: +63 2 7755 2332
Website: www.energy.com.ph

Energy Development Corporation ("EDC" or the "Issuer" or the "Company") has filed for approval for the shelf registration of fixed rate ASEAN green bonds in the aggregate principal amount of up to Fifteen Billion Pesos (₱15,000,000,000.00) (the "EDC ASEAN Green Bond Program"; the securities to be issued under the EDC ASEAN Green Bond Program, the "Bonds") to be issued and offered within a period of three (3) years from the date of effectivity of the registration statement pursuant to the rules on shelf registration of securities of the Securities and Exchange Commission ("SEC") and the SEC Guidelines on the Issuance of Green Bonds under the ASEAN Green Bonds Standards in the Philippines ("SEC Guidelines on ASEAN Green Bonds"), in one or more tranches.

This Offer Supplement relates to the offer and sale (the "Offer") by EDC of the first tranche of the Bonds consisting of the three (3)-year bonds due in 2024 ("Series A") and five (5)-year bonds due in 2026 ("Series B") (the Series A and Series B bonds collectively, the "First Tranche Bonds"), in the aggregate principal amount of Three Billion Pesos (₱3,000,000,000), with an oversubscription option of up to Two Billion Pesos (₱2,000,000,000), at an issue price of 100% of face value (the "Issue Price"). Assuming the over-subscription option is fully exercised, ₱5,000,000,000 of the Bonds will be issued by the Company.

[On [•], the registration statement filed by EDC covering the Bonds was rendered effective by the SEC in its order, and a certificate of permit to offer securities for sale for the First Tranche Bonds was issued.]

Upon issuance, the First Tranche Bonds shall constitute the direct, unconditional, unsubordinated, and unsecured obligations of EDC and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of EDC, other than obligations preferred by law. The First Tranche Bonds shall effectively be subordinated in right of payment to, among others, (i) all of EDC's secured debts (if any) to the extent of the value of the assets securing such debt; and (ii) all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines (see section on Ranking under "Description of the First Tranche Bonds" on page [14]).

The First Tranche Bonds have been rated PRS Aaa, with a stable outlook, by the Philippine Rating Services Corporation ("PhilRatings") as of March 12, 2021. A rating of PRS Aaa is the highest credit rating on PhilRatings' long-term credit rating scale. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. The rating is not a recommendation to buy, sell, or hold securities, and is subject to an annual review, which may result in the revision, suspension, or withdrawal of the rating by the concerned, rating agency.

The First Tranche Bonds shall be offered to the public at face value through the Underwriters named herein. The First Tranche Bonds shall be issued in scripless form, with the PDTC maintaining the Registry of Bondholders, as the Registrar of the First Tranche Bonds. On Issue Date, the First Tranche Bonds shall be listed on PDEX to facilitate secondary trading. The First Tranche Bonds shall be issued in denominations of ₱50,000 each, as a minimum, and in multiples of ₱10,000 thereafter, and traded in denominations of ₱10,000 in the secondary market.

EDC expects to raise gross proceeds amounting to at least [₱3,000,000,000] and up to a maximum of ₱5,000,000,000, assuming full exercise of the over-subscription option. The net proceeds of the First Tranche Bonds are expected to be approximately [₱2,955,798,095] and [₱4,932,288,095] if the over-subscription option is fully exercised. Proceeds of the Bonds will be used primarily by the Company to finance or refinance new and existing renewable energy projects that are considered Eligible Green

Projects under the EDC Green Bond Framework. The net proceeds of the First Tranche Bonds shall be used for the partial reimbursement of equity contributed by EDC into BGI in Q4 2020 and Q1 2021 for the funding of the capital expenditure requirements of the Palayan Bayan Binary Project ("PBBP"), and, as applicable potential fresh equity contribution for Q1 2022 in relation to PBBP CAPEX (see "Use of Proceeds" on page [42]). The Underwriters shall receive a fee of up to [0.40%] on the final aggregate nominal principal amount of the First Tranche Bonds issued.

This Offer Supplement contains the [final] terms of the First Tranche Bonds and must be read in conjunction with the Prospectus dated [•] (the "Prospectus"). Unless defined in this Offer Supplement, terms used herein shall be deemed to be defined as set forth in the Prospectus. Full information on the Issuer and the First Tranche Bonds is only available on the basis of the combination of the Offer Supplement and the Prospectus. All information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement.

EDC confirms that this Offer Supplement contains material information relating to the Company, its subsidiaries and affiliates, which is, in the context of the issue and offering of the First Tranche Bonds, material (including all information required by applicable laws of the Republic of the Philippines), true, accurate, and correct in every respect. To the best of its knowledge and belief, there is no material misstatement or omission of fact, which would make any statement in this Offer Supplement misleading in any material respect. EDC confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants for inclusion into this Offer Supplement. EDC, however, has not independently verified any publicly available information, data, or analyses, including without limitation, information sourced from the DOE and ERC. Neither the delivery of this Offer Supplement nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Offer Supplement is accurate as of any time subsequent to the date hereof. The Joint Issue Managers as well as the Underwriters and Bookrunners assume no liability for any information contained in this Offer Supplement and do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offer Supplement. Unless otherwise indicated, all information in this Offer Supplement is as of the date of this Offer Supplement.

No dealer, salesman or other person has been authorized by EDC and the Underwriters to give any information or to make any representation concerning the First Tranche Bonds other than those contained herein, and, if given or made, any such other information or representation should not be relied upon as having been authorized by EDC or the Underwriters.

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred than profit made as a result of buying and selling securities. An investment in First Tranche Bonds, described in this Offer Supplement, involves a certain degree of risk. A prospective purchaser of the First Tranche Bonds should carefully consider several risk factors (see "Risk Factors" on page [27] of the Prospectus), such as risks inherent to the Company, risks pertinent to the industry, risks pertinent to the Philippines, and risks inherent to the First Tranche Bonds, in addition to the other information contained in this Offer Supplement, in deciding whether to invest in the First Tranche Bonds.

In making an investment decision, investors must rely on their own examination of EDC and the terms of the Offer, including the material risks involved. The Offer is being made on the basis of this Offer Supplement, read in conjunction with the Prospectus.

The contents of this Offer Supplement are not to be considered legal, business, or tax advice. Each prospective purchaser of the First Tranche Bonds receiving a copy of this Offer Supplement acknowledges that he has not relied on the Underwriters in his investigation on the accuracy of any information found in the Offer Supplement or in his investment decision. Prospective purchasers should consult their own counsel, accountants, or other advisors as to legal, tax, business, financial and related aspects of the purchase of the First Tranche Bonds, among others. It bears emphasis that investing in the First Tranche Bonds involves certain risks (see discussion on factors to be considered in respect of an investment in the First Tranche Bonds under "Risk Factors" on page [41] of the Prospectus).

EDC is organized under the laws of the Philippines. Its principal office address is at One Corporate Centre, Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City 1605, Philippines, with telephone number +63 2 7-755 2332.

A REGISTRATION STATEMENT RELATING TO THE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS OFFER SUPPLEMENT (AND THE PRELIMINARY PROSPECTUS) SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OR AN OFFER TO BUY.

ENERGY DEVELOPMENT CORPORATION

By:

RICHARD B. TANTOCO
President and Chief Operating Officer

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

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2021, in Pasig City, by affiant, exhibiting to me his Passport No. P1471428A issued on January 4, 2017 at DFA, Manila as competent evidence of identity, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2021.

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DEFINITION OF TERMS

Capitalized terms used herein and not otherwise defined shall be deemed to be defined as set forth in the Prospectus dated [•] (the "Prospectus"). In this Offer Supplement, unless the context otherwise requires, the following terms shall have the meanings set forth below.

- Applicable Law*** With respect to any matter, all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, or judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings or awards, promulgated, adopted, issued or rendered by any Governmental Authority, and applicable to the matter.
- Currency Equivalent*** With respect to: (i) any amount denominated in Peso, the equivalent of such amount in US Dollars based on the closing rate published at the Bankers Association of the Philippines website – <https://bap.org.ph/> for the conversion of US dollars into Peso as of the relevant Business Day, or if such rate is not available, the prevailing official reference exchange rate recognized by the BSP for the conversion of US Dollars into Peso as of that Business Day or (ii) any amount denominated in a currency other than US dollars or Peso, the equivalent of such amount in US Dollars based on the prevailing official reference exchange rate recognized by the BSP for the conversion of that currency into US dollars as of the relevant Business Day, which as of the date hereof, is posted in <https://www.bsp.gov.ph/SitePages/Statistics/ExchangeRate.aspx>.
- Downward Affiliate*** Any entity (other than a Subsidiary) of which the Issuer owns, whether directly or indirectly, any voting capital or similar right of ownership.
- First Tranche Bondholders*** A Person whose name appears, at any time, as a holder of the First Tranche Bonds in the Registry of Bondholders.
- Limited Recourse Project Financing*** Any Financial Indebtedness of a Subsidiary or Downward Affiliate of the Issuer whereby the recourse of the creditors in relation to such Financial Indebtedness is limited only to:
- (a) a particular asset or assets of such Subsidiary or Downward Affiliate;
 - (b) the claims associated with or the revenues arising from such asset or assets of such Subsidiary or Downward Affiliate;
 - (c) the shares or other equity interests in such Subsidiary or Downward Affiliate or the direct and/or indirect shareholders thereof other than, in any case, such shares or equity interests held by the Issuer in any Subsidiary or Downward Affiliate;
 - (d) in respect of the construction, expansion and/or rehabilitation phase of an asset or assets, the equity contribution commitments of the direct and/or indirect shareholders of such Subsidiary or Downward Affiliate (other than any direct or indirect contribution of equity commitment by EDC unless such commitment has expired, been terminated or is otherwise no longer binding on EDC); and/or
 - (e) a standby or documentary letter of credit issued by a bank or other financial institution where there is no recourse (whether direct or indirect) to EDC in respect of any amount paid out (at any time) by such bank or financial institution pursuant to such standby or documentary letter of credit,

and provided that the above will not include any scenario where for or in respect of and/or in relation to such Financial Indebtedness there is:

(i) any existing and/or potential for a direct or indirect claim on any asset or assets of EDC (including, without limitation, on any cash of EDC collateralizing any standby or documentary letter of credit); or

(ii) any existing and/or potential for an obligation and/or liability of any description (whether contingent or otherwise and whether pursuant to an indemnity obligation, guarantee or otherwise) on EDC to such Subsidiary of Downward Affiliate, any other member of the EDC Group, any other entity in which it holds an equity shareholding or any other person (including, without limitation, any bank or financial institution).

Majority Bondholders

The holder or holders of more than fifty percent (50%) of the principal amount of the First Tranche Bonds outstanding at the relevant time. For matters with respect to Series A bonds, the holder or holders of more than fifty percent (50%) of the principal amount of the Series A Bonds outstanding at the relevant time, and with respect to Series B bonds, the holder or holders of more than fifty percent (50%) of the principal amount of the Series A Bonds outstanding at the relevant time

Permitted Investments

(a) Securities issued, directly or indirectly, or guaranteed by the government of the Republic of the Philippines or any agency or instrumentality thereof;

(b) Securities issued, directly or indirectly, or guaranteed by the government of the United States of America and any other country with rating by Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's"), or Standard & Poor's Ratings Services ("S & P") similar to or higher than that of the United States of America, or any agency or instrumentality thereof, having maturities of not more than one (1) year from the date of acquisition;

(c) Certificates of deposit and money market placements issued by any of the top twenty (20) banks in terms of asset size in the Republic of the Philippines, international banks rated by Moody's or S & P or Fitch as investment grade or prime local and international financial institutions;

(d) Securities rated with an investment grade rating by Fitch, Moody's, or S & P;

(e) Securities that may be classified as "Fair Value through Profit & Loss (FVPL) and Fair Value through Other Comprehensive Income (FVOCI)" in accordance with PFRS 9; or

(f) Any other investments acceptable to the Majority Bondholders.

Refinancing Indebtedness

Any Financial Indebtedness that is incurred solely for the purpose of repaying or prepaying (as the case may be) any existing Financial Indebtedness on or before its due date.

Underwriters

The Joint Lead Underwriters and the Co-Lead Underwriter as indicated in this Offer Supplement.

SUMMARY OF THE OFFER

This document constitutes the Offer Supplement relating to the offer described herein (the "Offer"). This Offer Supplement contains the [final] terms of this Offer and must be read in conjunction with the Prospectus. Full information on the Issuer and this offering is only available on the basis of the combination of this Offer Supplement and the Prospectus. All information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement.

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing in the Prospectus.

Issuer	ENERGY DEVELOPMENT CORPORATION ("EDC", the "Issuer" or the "Company")
Issue	Public, Philippine Peso ASEAN Green Bonds (the "Bonds") Series A and Series B bonds (Series A and Series B, the "First Tranche Bonds").
Joint Issue Managers, Joint Lead Underwriters and Bookrunners	BDO Capital & Investment Corporation ("BDO Capital") BPI Capital Corporation ("BPI Capital")
Co-Lead Underwriter	SB Capital Investment Corporation ("SB Capital")
EDC ASEAN Green Bond Program	Fixed rate ASEAN Green bonds in the aggregate amount of up to Fifteen Billion Pesos (₱15,000,000,000.00).
Issue Amount	Fixed rate bonds in the aggregate principal amount of Pesos: Three Billion Pesos (₱3,000,000,000.00), consisting of Series A bonds due three years from the Issue Date and/or Series B bonds due five years from the Issue Date, to be registered with the Philippine Securities and Exchange Commission ("SEC").
Oversubscription Option	Up to Two Billion (₱2,000,000,000.00) in addition to the Issue Amount.
Manner of Offer	Public offering
Issue Price	100% of face value of the First Tranche Bonds
Form and Denomination of the First Tranche Bonds	The First Tranche Bonds shall be issued in scripless form, and issued in denominations of Fifty Thousand Pesos (₱50,000.00) each as a minimum, and in integral multiples of Ten Thousand Pesos (₱10,000.00) thereafter, and shall be subsequently traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.
Offer Period	The offer of the First Tranche Bonds shall commence at 9:00 a.m. on [May 10, 2021] and end at 12:00 noon on [May 14, 2021]
Security	Negative Pledge on the Company's existing and future assets subject to certain permitted liens, provided in the Trust Indenture of the First Tranche Bonds.
Status	The First Tranche Bonds shall constitute the direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and ratably without preference among themselves and among any present and future unsecured obligations of the Issuer, except for any statutory preference or priority established under Philippine law.

Purpose	Net proceeds of the Bonds will be used to finance or refinance new and existing renewable energy projects that are considered Eligible Green Projects under the EDC Green Bond Framework. The net proceeds of the First Tranche Bonds shall be used for the partial reimbursement of equity contributed by EDC into BGI in Q4 2020 and Q1 2021 for the funding of the capital expenditure requirements of PBBP, and, as applicable potential fresh equity contribution for Q1 2022 in relation to PBBP CAPEX.
Issue Date/s	[May 21], 2021
Maturity Date	Series A Bonds: [May 21], 2024 Series B Bonds: [May 21], 2026
Interest Rate	Series A Bonds: [•]% per annum Series B Bonds: [•]% per annum
Interest Computation and Payment	<p>Interest on the unpaid principal amount of the First Tranche Bonds will be calculated on a 30/360-day count basis and will be paid semi-annually in arrears on the last day of each Interest Period (each an "Interest Payment Date"). Interest Periods shall refer to each successive period of six (6) months commencing on the Issue Date and ending on Maturity Date.</p> <p>If the Interest Payment Date is not a Business Day, interest will be paid on the next succeeding Business Day, without adjustment to the amount of interest to be paid.</p>
Redemption and Purchase	<p><u>Final Redemption</u> Unless previously redeemed or cancelled, the First Tranche Bonds shall be redeemed at par, or 100% of face value on their respective Maturity Dates, or on the immediately succeeding Business Day if the Maturity Date is not a Business Day, without adjustment as to the amounts to be paid.</p> <p><u>Redemption for Taxation Reasons</u> If payments under the First Tranche Bonds become subject to additional or increased taxes other than the taxes and the rates of such taxes prevailing on Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the First Tranche Bonds in whole (and not in part), on any Interest Payment Date (having given not more than sixty (60) days nor less than thirty (30) days' notice to the Trustee) at par or 100% face value plus accrued interest.</p> <p><u>Change in Law or Circumstance</u> The following events shall be considered as changes in law or circumstances ("Change in Law") in reference to the obligations of the Issuer and to the rights and interests of the First Tranche Bondholders under the Trust Indenture and the First Tranche Bonds:</p> <p>(i) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the First Tranche Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, while not constituting an Event of Default, will materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld;</p> <p>(ii) Any provision of the Trust Indenture or any of the related documents is, or becomes, for any reason, invalid, illegal or unenforceable to the extent that</p>

	<p>it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provision of the Trust Indenture or any of the related documents, in whole or in part, or any law is introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.</p> <p>(iii) Any concessions, permits, rights, franchise or privileges for the conduct of the business and operations of the Issuer shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial conditions or operation of the Issuer.</p> <p>(iv) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.</p> <p>If any one or more of the events enumerated above shall occur and be continuing for a period of sixty (60) days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said sixty (60) day period, may declare the principal of the First Tranche Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty.</p> <p><u>Purchase and Cancellation</u></p> <p>The Issuer may, at any time, purchase any of the First Tranche Bonds at any price in the open market or by tender or by contract at any price, without any obligation to purchase the First Tranche Bonds pro-rata from all First Tranche Bondholders, and First Tranche Bondholders shall not be obligated to sell. Any First Tranche Bonds so purchased shall be redeemed and cancelled and may not be re-issued.</p> <p>Upon listing of the First Tranche Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.</p>												
<p>Early Redemption</p>	<p>The Issuer shall have the option, but not the obligation, to redeem, in whole (and not in part), the relevant series of the outstanding First Tranche Bonds on the following relevant dates. If the Call Option Date is not a Banking Day, the call option shall be exercised on the following Banking Day. The amount payable to the First Tranche Bondholders upon the exercise of the Early Redemption Option by the Issuer shall be calculated, based on the principal amount of the relevant series of First Tranche Bonds being redeemed, as the sum of: (i) accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Option Date; and (ii) the product of the principal amount of the relevant series of First Tranche Bonds being redeemed and the Early Redemption Price in accordance with the following schedule:</p> <table border="1" data-bbox="533 1733 1445 1868"> <thead> <tr> <th>Early Redemption Option Date on Series A Bonds</th> <th>Early Redemption Price</th> </tr> </thead> <tbody> <tr> <td>4th Interest Payment Date</td> <td>100.5%</td> </tr> <tr> <td>5th Interest Payment Date</td> <td>100.5%</td> </tr> </tbody> </table> <table border="1" data-bbox="533 1899 1445 2033"> <thead> <tr> <th>Early Redemption Option Date on Series B Bonds</th> <th>Early Redemption Price</th> </tr> </thead> <tbody> <tr> <td>6th Interest Payment Date</td> <td>101.0%</td> </tr> <tr> <td>7th Interest Payment Date</td> <td>101.0%</td> </tr> </tbody> </table>	Early Redemption Option Date on Series A Bonds	Early Redemption Price	4th Interest Payment Date	100.5%	5th Interest Payment Date	100.5%	Early Redemption Option Date on Series B Bonds	Early Redemption Price	6th Interest Payment Date	101.0%	7th Interest Payment Date	101.0%
Early Redemption Option Date on Series A Bonds	Early Redemption Price												
4th Interest Payment Date	100.5%												
5th Interest Payment Date	100.5%												
Early Redemption Option Date on Series B Bonds	Early Redemption Price												
6th Interest Payment Date	101.0%												
7th Interest Payment Date	101.0%												

	<table border="1"> <tr> <td>8th Interest Payment Date</td> <td>100.5%</td> </tr> <tr> <td>9th Interest Payment Date</td> <td>100.5%</td> </tr> </table> <p>The Issuer shall give not more than sixty (60) days nor less than thirty (30) days prior written notice to the Trustee of its intention to redeem the First Tranche Bonds, including information on the relevant series being redeemed, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the First Tranche Bonds at the Early Redemption Option Date stated in such notice.</p>	8th Interest Payment Date	100.5%	9th Interest Payment Date	100.5%
8th Interest Payment Date	100.5%				
9th Interest Payment Date	100.5%				
Title	Legal title to the First Tranche Bonds shall be shown in the Registry of First Tranche Bondholders to be maintained by the Registrar. A notice confirming the principal amount of the First Tranche Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all First Tranche Bondholders following the Issue Date. Upon any sale, transfer or assignment, title to the First Tranche Bonds shall pass by recording of such sale, transfer or assignment from the transferor to the transferee in the Registry of Bondholders. Settlement in respect of such sale, transfer or assignment, including the settlement of any cost arising from such transfers, including but not limited to, documentary stamp taxes, if any, shall be for the account of the relevant First Tranche Bondholder.				
Bond Rating	The First Tranche Bonds is rated PRS Aaa by the Philippine Rating Services Corporation				
Trustee	Rizal Commercial Banking Corporation - Trust and Investments Group ("RCBC Trust")				
Registrar Agent and/or Paying Agent	Philippine Depository and Trust Corp.				
Tax and Other Deductions	<p>Interest income on the First Tranche Bonds is subject to a withholding tax at rates of 15%, 20%, 25% or 30%, depending on the tax status of the relevant First Tranche Bondholder under relevant law, regulation or tax treaty. Except for such withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:</p> <ul style="list-style-type: none"> (a) The final withholding tax applicable on interest earned on the First Tranche Bonds prescribed under the Tax Code, as amended, and its implementing rules and regulations as may be in effect from time to time; provided, further, that all First Tranche Bondholders are required to provide the Issuer through the Paying Agent their validly issued tax identification numbers issued by the BIR; (b) Gross Receipts Tax under Section 121 of the Tax Code; (c) Taxes on the overall income of any securities dealer or First Tranche Bondholder, whether or not subject to withholding; (d) Value-Added Tax under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337 and Republic Act No. 10963; and 				

- (e) Any applicable taxes on any subsequent sale or transfer of the First Tranche Bonds by any First Tranche Bondholder which shall be for the account of such First Tranche Bondholder (or its buyer, as the First Tranche Bondholder and the buyer may have agreed upon).

Documentary stamp tax for the primary issue of the First Tranche Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

A First Tranche Bondholder who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer, as being sufficient in form and substance:

- (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR and addressed to the relevant applicant or First Tranche Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;
- (ii) with respect to tax treaty relief, a duly accomplished Certificate of Residence for Tax Treaty Relief ("CORTT") Form or the duly prescribed certificate of residency, in lieu of the tax treaty relief application, as required under the BIR Revenue Memorandum Order ("RMO") No. 08-2017, and a duly notarized, consularized or apostilled, if executed outside the Philippines, Special Power of Attorney executed by the First Tranche Bondholder in favor of its authorized representative (if the CORTT Form and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the First Tranche Bondholder is not doing business in the Philippines to support the applicability of a tax treaty relief;
- (iii) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or First Tranche Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the First Tranche Bondholder holds, the First Tranche Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the First Tranche Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Master RPAA, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and
- (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall

	<p>include evidence of the applicability of a tax treaty and consularized or apostilled proof of the First Tranche Bondholder’s legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the First Tranche Bondholder is not doing business in the Philippines; provided, that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the First Tranche Bondholder on the interest payments to such First Tranche Bondholder; provided, further, that all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the First Tranche Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar;</p> <p>The foregoing requirements shall be submitted, (i) in respect of an initial issuance of the First Tranche Bonds, to the relevant Joint Issue Managers, Joint Lead Underwriters and Bookrunners, the Co-Lead Underwriter or Selling Agents (if any) who shall then forward the same with the Application to Purchase to the Registrar; or (ii) in respect of a transfer from a First Tranche Bondholder to a purchaser, to the Registrar upon submission of the account opening documents.</p>
Financial Ratios	<ol style="list-style-type: none"> 1) Incurrence ratio in terms of the unconsolidated Financial Indebtedness to unconsolidated Total Equity ratio of no more than 3.0x (after giving effect to the incurrence of such Equity Distribution and/or Debt Incurrence) for Equity Distribution and Debt Incurrence. 2) Excluded from the financial ratios are Finance lease due to Independent Power Producer Administration (“IPPA”) Agreements and those under the take-or-pay contracts (but only to the extent it or a portion thereof has been accounted for as finance lease under applicable accounting standards as the same may be modified from time to time). <p>Any Refinancing Indebtedness incurred within the reporting period shall be excluded from Financial Indebtedness, provided that the refinanced debt is repaid in full within six (6) months after the date the refinancing debt is incurred.</p>
Listing	The First Tranche Bonds shall be listed at the Philippine Dealing & Exchange Corp. (“PDEX”), subject to compliance with the listing requirements of PDEX
Covenants	Please refer to the covenants of the Issuer under the Sections “Affirmative Covenants” and “Negative Covenants” on page [21] of this Offer Supplement;
Event of Default	Please refer to the events of default under the Section “Events of Default” on page [28] of this Offer Supplement
Governing Law	Laws of the Republic of the Philippines
Counsel to the Issuer	Quiason Makalintal Barot Torres Ibarra Sison & Damaso
Counsel to the Underwriters	Picazo Buyco Tan Fider & Santos Law Offices

DESCRIPTION OF THE FIRST TRANCHE BONDS

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the First Tranche Bonds. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors are enjoined to carefully review the Articles of Incorporation, By-Laws and resolutions of the Board of Directors and Shareholders of EDC, the information contained in the Prospectus, this Offer Supplement, the Trust Indenture Agreement, Underwriting and Issue Management Agreement, and other agreements relevant to the Offer.

The First Tranche Bonds covered by this Offer Supplement and described in this Offer Supplement is offered by the Company as the first tranche of the Bonds under the EDC ASEAN Green Bond Program (the "EDC ASEAN Green Bond Program") that was authorized by a resolution of the Board of Directors of the Company dated February 4, 2021 (see section "Overview of the EDC ASEAN Green Bond Program" on page [23] of the Prospectus).

The EDC ASEAN Green Bond Program is issued pursuant to the EDC Green Bond Framework (the "Framework") (see section "EDC Green Bond Framework" on page [48] of the Prospectus). This Framework is drafted in accordance with the four core components of the International Capital Market Association's ("ICMA") 2018 Green Bond Principles; namely: a) Use of Proceeds, b) Process for Project Evaluation and Selection, c) Management of Proceeds, and d) Reporting.

The Framework was externally reviewed by Sustainalytics, a leading environmental, social and governance research, ratings, and data firm, which provided a second party opinion ("Second Party Opinion") on the EDC Green Bond Framework that the same aligns to the core components of the ICMA 2018 Green Bond Principles. A copy of the EDC Green Bond Framework and the Second Party Opinion are available at www.energy.com.ph.

A registration statement was filed by the Company covering the EDC ASEAN Green Bond Program with the Securities and Exchange Commission ("SEC") on [March 15, 2021[•].

The First Tranche Bonds shall be constituted by a Trust Indenture Agreement executed on [•] (the "Trust Indenture") entered into between the Issuer and Rizal Commercial Banking Corporation - Trust and Investments Group (the "Trustee"), which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture. The description of the terms and conditions of the First Tranche Bonds set out below includes summaries of, and is subject to, the detailed provisions of the Trust Indenture. A registry and paying agency agreement was executed on [•] (the "Registry and Paying Agency Agreement") in relation to the First Tranche Bonds between the Issuer and Philippine Depository & Trust Corp. as registrar (the "Registrar") and as paying agent (the "Paying Agent"). The First Tranche Bonds shall be offered and sold through a general public offering in the Philippines, and issued and transferable in minimum principal amounts of Fifty Thousand Pesos (₱50,000.00) and in multiples of Ten Thousand Pesos (₱10,000.00) thereafter, and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market. The First Tranche Bonds will be repaid at 100% of Face Value on the relevant Maturity Dates. See "Description of the First Tranche Bonds — Redemption and Purchase".

The Registrar and Paying Agent has no interest in or relation to EDC which may conflict with its role as Registrar for the Offer. The Trustee has no interest in or relation to EDC which may conflict with its role as Trustee for the First Tranche Bonds.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee. The holders of the First Tranche Bonds (the "First Tranche Bondholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

FORM, DENOMINATION AND TITLE

Form and Denomination

The First Tranche Bonds are in scripless form, and shall be issued in denominations of Fifty Thousand Pesos (₱50,000.00) each as a minimum, in multiples of Ten Thousand Pesos (₱10,000.00) thereafter, and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

Title

Legal title to the First Tranche Bonds shall be shown in the Registry of Bondholders maintained by the Registrar. A notice confirming the principal amount of the First Tranche Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all First Tranche Bondholders following the Issue Date. Upon any sale, transfer or assignment, title to the First Tranche Bonds shall pass by recording of such sale, transfer or assignment from the transferor to the transferee in the Registry of Bondholders. Settlement in respect of such transfer or change of title to the First Tranche Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant First Tranche Bondholder.

BOND RATING

The First Tranche Bonds have been rated PRS Aaa by PhilRatings, as of March 12, 2021, having considered: (1) EDC's leading position as a pure renewable energy company; (2) strong parent company support and highly-experienced management team; (3) manageable decline in net income amid the COVID-19 pandemic; (4) sufficient liquidity; and (5) conservative capital structure. PRS Aaa is the highest rating assigned by PhilRatings. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the First Tranche Bonds are outstanding. After the Issue Date, the Trustee will monitor the compliance of the First Tranche Bonds with the regular annual reviews.

TRANSFER OF THE FIRST TRANCHE BONDS

Registry of First Tranche Bondholders

The Issuer shall cause the Registry of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the First Tranche Bondholders and the particulars of the First Tranche Bonds held by them and of all transfers of First Tranche Bonds shall be entered into the Registry of Bondholders. As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each First Tranche Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer), and a written advice confirming every receipt or transfer of the First Tranche Bonds that is effected in the Registry of Bondholders. Such statement of registry holdings shall serve as the confirmation of ownership of the relevant First Tranche Bondholder as of the date thereof. Any requests of the First Tranche Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting First Tranche Bondholder.

Transfers; Tax Status

The First Tranche Bondholders may transfer their First Tranche Bonds anytime, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between First Tranche Bondholders of different tax status occur on a day that is not an Interest Payment Date, tax-exempt entities trading with non tax-exempt entities shall be treated as non tax-exempt entities for the interest period within

which such transfer occurred. A First Tranche Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified in the section on "Tax-Exempt Status or Entitlement to Preferential Tax Rate" on page [20], below, within three days from the settlement date for such transfer.

Secondary Trading of the First Tranche Bonds

The Issuer intends to list the First Tranche Bonds on PDEX for secondary market trading. The First Tranche Bonds will be traded in a minimum board lot size of Ten Thousand Pesos (₱10,000.00) as a minimum, and in multiples of Ten Thousand (₱10,000.00) in excess thereof for so long as any of the First Tranche Bonds are listed on PDEX. Secondary market trading in PDEX shall follow the applicable PDEX rules and conventions and guidelines, including rules, conventions and guidelines governing trading and settlement between First Tranche Bondholders of different tax status, and shall be subject to the relevant fees of PDEX and PDTC.

RANKING

The First Tranche Bonds shall constitute the direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and ratably without any preference or priority among themselves and among any present and future unsubordinated and unsecured obligations of the Issuer (with the exception of those which have preference solely by operation of Applicable Law, including but not limited to preferred claims under any bankruptcy, insolvency, reorganization, moratorium, liquidation or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, except any preference or priority established by Article 2244, paragraph 14(a) of the Civil Code of the Philippines, as the same may be amended from time to time).

INTEREST

Interest Payment Dates

The Series A Bonds bear interest on its principal amount from and including Issue Date at the rate of [•]% per annum and the Series B Bonds bear interest on its principal amount from and including Issue Date at the rate of [•]% per annum. Interest is payable semi-annually in arrears on [May 21] and [November 21] of each year (each, for purposes of this Section, an "Interest Payment Date") commencing on [November 21]. If the Interest Payment Date is not a Business Day, interest shall be payable on the subsequent Business Day without adjustment as to the amounts to be paid. However, the last Interest Payment Date shall fall on the Maturity Date.

The cut-off date in determining the existing First Tranche Bondholders entitled to receive interest or principal amount due shall be the Record Date. No transfers of the First Tranche Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Dates.

Interest Accrual

The First Tranche Bonds will cease to bear interest from and including the relevant Maturity Date, as defined in the discussion on "*Final Redemption*" below, unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see "*Penalty Interest*" below) shall apply.

Determination of Interest Amount

The interest shall be calculated on the basis of a three hundred sixty (360)-day year consisting of twelve

(12) months of thirty (30) days each regardless of the actual number of days in an interest period.

REDEMPTION AND PURCHASE

Final Redemption

Unless previously redeemed or cancelled, the Series A Bonds shall be redeemed at par or 100% of face value on [May 21], 2024 and the Series B Bonds shall be redeemed at par or 100% of face value on [May 21], 2026 (each, a "Maturity Date"), or on the immediately succeeding Business Day if the relevant Maturity Date is not a Business Day, without adjustment as to the amounts to be paid.

Redemption for Taxation Reasons

If payments under the First Tranche Bonds shall require the Issuer to pay or shoulder any additional or increased taxes other than the taxes and the rates of such taxes that the Issuer is required to pay or shoulder on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be legally avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the First Tranche Bonds in whole (and not in part), without premium or penalty, on any Interest Payment Date (having given not more than sixty (60) days nor less than thirty (30) days notice to the Trustee) at par or 100% of the face value of the First Tranche Bonds plus accrued interest.

Change in Law or Circumstance

The following events shall be considered as change in law or circumstances ("Change in Law") in reference to the obligations of the Issuer and to the rights and interests of the First Tranche Bondholders under the Trust Indenture and the First Tranche Bonds:

- (a) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the First Tranche Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, while not constituting an Event of Default, will materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld;
- (b) Any provision of the Trust Indenture or any of the related documents is, or becomes, for any reason, invalid, illegal or unenforceable to the extent that it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provision of the Trust Indenture or any of the related documents, in whole or in part, or any law is introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents;
- (c) Any concessions, permits, rights, franchise or privileges for the conduct of the business and operations of the Issuer shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial conditions or operations of the Issuer; and
- (d) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

If any one or more of the events enumerated above shall occur and be continuing for a period of sixty (60) days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said sixty (60) day period, may declare the principal of the First Tranche Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to

be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty.

Purchase and Cancellation

The Issuer may, at any time, purchase any of the First Tranche Bonds at any price in the open market or by tender or by contract at any price, without any obligation to purchase the First Tranche Bonds pro rata from all the First Tranche Bondholders, and the First Tranche Bondholders shall not be obligated to sell. Any First Tranche Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the First Tranche Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

Early Redemption Option

The Issuer shall have the option, but not the obligation, to redeem in whole (and not in part), the relevant series of the outstanding First Tranche Bonds (the "Early Redemption Option"). The Issuer's Early Redemption Option may be exercised only on the relevant date as follows:

- (a) For Series A Bonds, on the fourth (4th) Interest Payment Date and on the fifth (5th) Interest Payment Date; and
- (b) For Series B Bonds, on the sixth (6th) Interest Payment Date and on each Interest Payment Date thereafter until the ninth (9th) Interest Payment Date,

(each, an "Early Redemption Date"). If the Early Redemption Date is not a Business Day, the Early Redemption Option shall be exercised on the following Business Day.

The amount payable to the First Tranche Bondholders in respect of an Early Redemption Option exercise shall be calculated, based on the principal amount of the relevant series of the First Tranche Bonds being redeemed, as the sum of (i) accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Date; and (ii) the product of the principal amount of the First Tranche Bonds being redeemed and the Early Redemption Price in accordance with the following schedule:

<u>Series A Early Redemption Date</u>	<u>Early Redemption Price</u>
4 th Interest Payment Date	100.5%
5 th Interest Payment Date	100.5%
<u>Series B Early Redemption Date</u>	<u>Early Redemption Price</u>
6 th Interest Payment Date	101.0%
7 th Interest Payment Date	101.0%
8 th Interest Payment Date	100.5%
9 th Interest Payment Date	100.5%

The Issuer shall give not more than sixty (60) days nor less than thirty (30) days prior written notice to the Trustee of its intention to redeem the First Tranche Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the First Tranche Bonds at the Early Redemption Date stated in such notice.

Payments

The principal of, interest on, and all other amounts payable on, the First Tranche Bonds shall be paid to the First Tranche Bondholders, as of the relevant Record Date, as follows: not later than 12:00 noon

of each relevant Payment Date, the Paying Agent shall pay on behalf of the Issuer the amounts due in respect of the First Tranche Bonds by crediting the proper amounts via Real Time Gross Settlement ("RTGS"), net of applicable final taxes and fees, to the Demand Deposit Account ("DDA") of the bank designated in writing by each First Tranche Bondholder for the purpose. The principal and interest on the First Tranche Bonds will be payable in Pesos. The Issuer will ensure that so long as any of the First Tranche Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the First Tranche Bonds and the Issuer may not terminate the appointment of the Paying Agent, except as provided in the Registry and Paying Agency Agreement. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office of such other leading bank in the Philippines to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

Payment of Additional Amounts - Taxation

- (a) Interest income on the First Tranche Bonds is subject to a withholding tax at rates of 15% to 30%, depending on the tax status of the relevant First Tranche Bondholder under relevant law, regulation or tax treaty. Except for such withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided, however that, the Issuer shall not be liable for the following:
- (i) The final withholding tax applicable on interest earned on the First Tranche Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations as may be in effect from time to time, (the "Tax Code"). An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue confirming the exemption or preferential rate; (ii) a duly notarized Affidavit with Undertaking or Indemnity with Undertaking, in the prescribed form, as may be applicable, declaring and warranting its tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer of any suspension or revocation of or change in the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty, consularized or apostilled proof of the First Tranche Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the First Tranche Bondholder is not doing business in the Philippines, provided further, that all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the First Tranche Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;
 - (ii) Gross Receipts Tax under Section 121 of the Tax Code;
 - (iii) Taxes on the overall income of any securities dealer or First Tranche Bondholder, whether or not subject to withholding;
 - (iv) Value-Added Tax under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337 and Republic Act No. 10963; and
 - (v) Any applicable taxes on any subsequent sale or transfer of the First Tranche Bonds by

any First Tranche Bondholder which shall be for the account of such First Tranche Bondholder (or its buyer, as the First Tranche Bondholder and the buyer may have agreed upon).

Documentary stamp tax for the primary issue of the First Tranche Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

(b) Tax-Exempt Status or Entitlement to Preferential Tax Rate

A First Tranche Bondholder who is exempt from the final withholding tax or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer, as being sufficient in form and substance:

- (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the relevant applicant or First Tranche Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto;
- (ii) with respect to tax treaty relief, a duly accomplished Certificate of Residence for Tax Treaty Relief ("CORTT") Form or the duly prescribed certificate of residency, in lieu of the tax treaty relief application, as required under BIR Revenue Memorandum Order ("RMO") No. 08-2017, and a duly notarized, consularized or apostilled, if executed outside the Philippines, Special Power of Attorney executed by the First Tranche Bondholder in favor of its authorized representative (if the CORTT Form and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the First Tranche Bondholder is not doing business in the Philippines to support the applicability of a tax treaty relief;
- (iii) a duly notarized affidavit with undertaking or indemnity with undertaking executed by (A) the corporate secretary or the duly authorized representative of such applicant or First Tranche Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the First Tranche Bondholder holds, the First Tranche Bonds for its account, or (B) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the First Tranche Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Registry and Paying Agency Agreement, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax; and
- (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled proof of the First Tranche Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the First Tranche Bondholder is not doing business in the Philippines; provided, that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the First Tranche Bondholder on the interest payments to such First Tranche Bondholder; provided, further, that all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the First Tranche Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar;

The foregoing requirements shall be submitted, (i) in respect of an initial issuance of the First Tranche Bonds, to the Joint Issue Managers, Joint Lead Underwriters and Bookrunners, the Co-Lead Underwriter or Selling Agents (if any) who shall then forward the same with the Application to Purchase to the Registrar; or (ii) in respect of a transfer from a First Tranche Bondholder to a purchaser, to the Registrar upon submission of the account opening documents.

(c) Tax on Fees of Joint Issue Managers, Underwriters and Joint Bookrunners

All payments to be made by the Issuer to the Joint Issue Managers, Underwriters and Joint Bookrunners and the members of the underwriting syndicate, (in respect of issue management and underwriting fees paid by the Issuer) will be made without withholding or deduction for, or account of, any Taxes (as defined below) other than creditable withholding taxes, duties, assessments or charges imposed by the Philippine Government of whatsoever nature, present or future.

For the purposes of this Section, "Taxes" shall refer to any present and future taxes (including, without limitation, final withholding tax, documentary stamps tax ("DST"), value added tax ("VAT") or such substitute tax as may be imposed on banks and financial institutions), provided that the Issuer shall have no liability with respect to creditable withholding taxes and any taxes on the overall net income of the Joint Issue Managers, Underwriters and Joint Bookrunners, and the members of the underwriting syndicate. In the event that such deduction or withholding is required to be made, the Issuer will be obliged to gross-up its payments in order that the Joint Issue Managers, Underwriters and Joint Bookrunners and the members of the underwriting syndicate will receive the full amount which otherwise would have been due and payable as if no such deduction or withholding had been made.

FINANCIAL RATIOS

Incurrence ratio in terms of unconsolidated Financial Indebtedness to unconsolidated Total Equity ratio of no more than 3.0x (after giving effect to the incurrence of such Equity Distribution and/or Debt Incurrence) for Equity Distribution and Debt Incurrence.

Excluded from the financial ratios are finance leases due to Independent Power Producer Administration ("IPPA") Agreements and those under the take-or-pay contracts (but only to the extent it or a portion thereof has been accounted for as finance lease under applicable accounting standards as the same may be modified from time to time).

Any Refinancing Indebtedness incurred within the reporting period shall be excluded from Financial Indebtedness, provided that the refinanced debt is repaid in full within six (6) months after the date the refinancing debt is incurred.

[The Philippine Accounting Standard ("PAS") or Philippine Financial Reporting Standards ("PFRS") to be used for computing the financial ratios shall be the PAS or PFRS applicable as of [December 31, 2020]. If, as a result of any change or changes in PAS or PFRS, the computation of the above ratio would, solely as a consequence of such change/s in PAS or PFRS, result in a Financial Indebtedness to Total Equity which is higher than the same ratio computed on the basis of PAS or PFRS in effect immediately before such change or changes shall have become effective, then the Issuer and the Trustee/s, at the instance of the former, shall negotiate in good faith and in an expeditious manner the terms and conditions of an amendment to the computation of such ratio (assisted by the hiring of a third party expert acceptable to the Issuer and the Trustee/s to assist in the determination of the effect of the change or changes, as the case may be, in PAS or PFRS, which determination shall be final absent manifest error).]

AFFIRMATIVE COVENANTS

For as long as any of the First Tranche Bonds remain outstanding, the Issuer hereby covenants that it shall:

(a) Payments – As and when the First Tranche Bonds or any of them becomes due to be redeemed or any principal on the First Tranche Bonds or any of them becomes due to be repaid in accordance with the Terms and Conditions, unconditionally pay or procure to be paid to the order of the Trustee in

Philippine Pesos in same day freely transferable funds the principal amount of the First Tranche Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the Terms and Conditions), until all such payments (after as well as before any judgment or other order of any court of competent jurisdiction) are duly made, unconditionally pay or procure to be paid to the order of the Trustee as aforesaid on the dates provided for in the Terms and Conditions interest on the principal amount of the First Tranche Bonds or any of them outstanding from time to time as set out in the Terms and Conditions, provided that:

(i) Every payment of principal or interest in respect of the First Tranche Bonds or any of them made to the Paying Agent in the manner provided for in the Registry and Paying Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this clause except to the extent that there is default in the subsequent payment thereof to the First Tranche Bondholders as provided in the Terms and Conditions;

(ii) If any payment of principal or interest in respect of the First Tranche Bonds or any of them is made after the due date, payment shall be deemed not to have been made until the full amount is received by the Paying Agent in accordance with the Terms and Conditions; and

(iii) In any case where payment of the whole or any part of the principal amount and/or interest due in respect of the First Tranche Bonds is not made, improperly withheld or refused by the Issuer (if so provided for in the Terms and Conditions), Penalty Interest shall accrue on the whole or part of such principal amount and/or interest from the due date thereof, or date of such withholding or refusal until such amounts due are received by the Paying Agent in accordance with the Terms and Conditions.

(b) Maintenance and Continuity of Business – Maintain and preserve its corporate existence, its rights, privileges and authorizations to carry on the normal conduct of its business operations, particularly, the Geothermal Renewable Energy Service Contracts and conduct its business in an orderly, efficient, and customary manner, save to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Financial Statements –

(i) The Issuer will maintain proper and adequate financial records in accordance with the PAS or PFRS, then in effect, consistently applied and in compliance with the regulations of any Governmental Authority having jurisdiction and authority over the PAS or PFRS implementation;

(ii) Provide the First Tranche Bondholders through the Trustee with:

(1) One (1) copy each of its quarterly unaudited financial reports and its audited annual reports and accounts, as submitted to the SEC in its required form, within five (5) Business Days from the SEC prescribed deadline for the submission of each said report, each prepared in accordance with the PAS/PFRS then in effect;

(2) Within five (5) Business Days from the SEC-prescribed deadline for the submission of the Issuer's unaudited financial report for the period ending June 30 and its audited annual reports and accounts for the period ending December 31, a certificate issued by the Chief Finance Officer or any authorized officer of the Issuer, substantially in the form attached as Annex "B" of the Trust Indenture certifying that no Default has occurred and that all of its undertakings set out in the Sections on Affirmative Covenants and Negative Covenants in this Offer Supplement have been met at the date of such reports.

(d) Insurance – (i) To the extent available on commercially reasonable terms, obtain or maintain insurance over its properties, which properties are necessary to its business and the loss of which would have a Material Adverse Effect (provided they are of an insurable nature) with financially sound and reputable insurers, or otherwise self-insure such properties (provided they are of an insurable nature)

against loss or damage with such coverage and amounts as are customary for a business of the same character in the Philippines; and (ii) promptly submit to the Trustee, upon request, a certification on payment of insurance premiums.

(e) Appointment of Auditors – Appoint and maintain as auditors a firm of independent public accountants of internationally recognized standing.

(f) Continuing Approvals – Obtain or procure the obtaining of, and thereafter maintain in full force and effect: (i) every Governmental Approval and do all other acts and things as may from time to time be required under Applicable Law for the legality, validity and enforceability of the Trust Indenture, the First Tranche Bonds and any of the Terms and Conditions; and (ii) every material Governmental Approvals as may from time to time be required under Applicable Law for the due performance of its obligations under the Trust Indenture, the First Tranche Bonds and any of the Terms and Conditions.

(g) Notice of Occurrence of Default – Inform the First Tranche Bondholders in writing through the Trustee, within five (5) Business Days after any senior officer with the rank of Vice President or higher or a member of the Board of Directors of the Issuer obtains knowledge of any occurrence of any event which constitutes an Event of Default together with the statement as to the nature thereof.

(h) Compliance with Law – At all times comply with, or cause to be complied with, all Applicable Laws in relation to the Issuer, including obtaining or procuring and thereafter maintaining in full force and effect every Governmental Approval for the maintenance and carrying of its business and operations in the manner in which such business is now carried on, except to the extent failure to do so will not have a Material Adverse Effect or such failure to do so is through no fault or negligence on the part of the Issuer exercising good faith and exerting best efforts.

(i) Taxes – Duly pay and discharge all taxes, final assessments and governmental charges of whatsoever nature and by whomsoever levied upon it or against its properties prior to the date on which penalties attach thereto, unless and to the extent that: (i) the same shall be contested in good faith and by appropriate proceedings, or (ii) failure to do so would not have a Material Adverse Effect.

(j) Indebtedness and Contractual and Other Obligations – Pay all of its Financial Indebtedness as they fall due and perform all contractual obligations relating to such Financial Indebtedness promptly and in accordance with their terms, including, without limitation, its obligations under the First Tranche Bonds and any of the Terms and Conditions, unless and to the extent that: (i) the unpaid debt does not exceed Ten Million U.S. Dollars (US\$10,000,000.00) or the relevant Currency Equivalent, or (ii) the same shall be contested in good faith and by appropriate proceedings, or (iii) that the non-payment or late payment of such Financial Indebtedness will not have a Material Adverse Effect; provided, that with respect to items (ii) and (iii), written notice shall have been given by the Issuer to the Trustee regarding the nature of such contested or unpaid Financial Indebtedness within five (5) Business Days from the date such Financial Indebtedness became due.

(k) Additional Agreements – Promptly execute and deliver to the First Tranche Bondholders such additional agreements as the First Tranche Bondholders may reasonably require from time to time to perfect and confirm unto the First Tranche Bondholders all of the First Tranche Bondholders' rights, powers and remedies hereunder.

(l) Pro-Rata and Pari Passu Treatment – Except with respect to any prepayment under the Terms and Conditions, ensure that each First Tranche Bondholder shall at all times share pro rata and shall rank pari passu with the other First Tranche Bondholders with respect to any right or remedy set forth in the Trust Indenture or the Terms and Conditions or otherwise granted herein or therein with respect to the Bond or First Tranche Bonds held by such First Tranche Bondholder.

(m) Maintenance of Property – Subject to its right to dispose of assets, keep and maintain all the properties of the Issuer necessary for its business in good working order and condition, and the loss of which would have a Material Adverse Effect, normal wear and tear excepted.

(n) Notice of Adverse Action – Furnish the First Tranche Bondholders through the Trustee prompt written notice of: (i) any action, suit, or proceeding at law or in equity by or before any Governmental Authority which, if adversely determined, will have a Material Adverse Effect on the Issuer’s ability to observe and perform its obligations under this Agreement; (ii) any other event or matter of any nature whatsoever which will have a Material Adverse Effect on the operations, properties, assets or conditions, financial or otherwise, of the Issuer, taken as a whole; or (iii) any written notice by any Governmental Authority indicating the latter’s intent to acquire the properties, assets or business of the Issuer that will have a Material Adverse Effect on the Issuer’s ability to observe and perform its obligations under this Agreement.

(o) Use of Proceeds – Use the net proceeds of the First Tranche Bonds as disclosed in this Offer Supplement.

(p) Accounts – Keep in accordance with Applicable Laws such proper books and records of account as are and which may from time to time be required to be kept under Applicable Laws and keep such books and records of account in conformity with PAS/PFRS then in effect.

(q) Compliance with EDC Green Bond Framework – Comply with the EDC Green Bond Framework including (but not limited to) its rules on the use and management of proceeds, its process for project evaluation and selection, as well as reporting requirements.

NEGATIVE COVENANTS

Until redemption or payment in full of the aggregate outstanding principal amount of the First Tranche Bonds, the Issuer hereby covenants and agrees with the Trustee that the Issuer shall not, without the written consent of the Majority Bondholders:

(a) Change in Business – Make or permit any material change in the general nature of its business from that carried on as at the date of the Trust Indenture or authorized in its articles of incorporation and by-laws, including amendments thereto, or engage in any business operation or activity other than that for which it is presently authorized by Applicable Law.

(b) Amendment of Articles of Incorporation and By-Laws and Quasi-Reorganization – (i) Without prejudice to 4.2(a) above, amend its articles of incorporation, by-laws or other constitutive documents to decrease its authorized capital stock, or otherwise amend any provision which will have a Material Adverse Effect; or (ii) re-organize, undertake a quasi-reorganization, or reduce, return or retire its capital, except where such re-organization, quasi-reorganization, or reduction, return or retirement of capital shall not have a Material Adverse Effect.

(c) Sale of All or Substantially All Assets; Merger – (i) Sell, lease, transfer, grant or otherwise dispose of, either in a single transaction or in a series of transactions, whether related or not, all or substantially all of its properties and assets or (ii) consolidate or merge with any other corporation unless, as a result of any merger, the Issuer becomes the surviving corporation.

(d) Equity Distribution Restriction – Declare or pay cash dividends to its stockholders or purchase, redeem or retire, or otherwise acquire any of its capital stock or any claims thereto, or make any other capital or asset distribution to its stockholders (other than distribution of stock dividends), or pay any Non-Trade Shareholder Advances forming part of Total Equity (excluding those incurred in the ordinary course of business), including interest accruing thereon (if any), (each of the foregoing a “Restricted Payment”), except that the Issuer may pay Restricted Payments, provided that no Event of Default has occurred and is continuing, and if, after giving effect to such Restricted Payment, the Issuer’s Financial Indebtedness to Total Equity ratio is at most 3.00x; testing to be done using the most recent unaudited unconsolidated financial statements or the most recent audited unconsolidated financial statements, whichever is applicable; provided that on the basis of the latest available financial statements, with respect to Financial Indebtedness to Total Equity ratio, if any Financial Indebtedness (any such Financial Indebtedness being “Refinancing Indebtedness”) is incurred solely for the purpose of repaying or prepaying (as the case may be) any existing Financial Indebtedness on or before its due date (any such

Financial Indebtedness being "Refinanced Indebtedness") and paying any fees or expenses in connection therewith, then such Refinancing Indebtedness will not be included in Financial Indebtedness; provided, further, that if such Refinanced Indebtedness is not irrevocably repaid in full on the earliest of a date within six (6) months following the date that the Refinancing Indebtedness was incurred (such period being "Refinancing Period"), then the principal amount of the Refinancing Indebtedness which is not applied to the repayment of the Refinanced Indebtedness within such Refinancing Period will be included in Financial Indebtedness beginning in the Measurement Period during which the Refinancing Indebtedness was incurred.

The PAS or PFRS to be used for computing the financial ratio shall be the PAS or PFRS applicable as of December 31, 2020. If, as a result of any change or changes in PAS or PFRS, the computation of the above ratio would, solely as a consequence of such change/s in PAS or PFRS, result in a Financial Indebtedness to Total Equity ratio that is higher than the same ratio computed on the basis of PAS or PFRS in effect immediately before such change or changes shall have become effective, then the Issuer and the Trustee, at the instance of the former, shall negotiate in good faith and in an expeditious manner the terms and conditions of an amendment to the computation of such ratio (assisted by the hiring of a third party expert acceptable to the Issuer and the Trustee to assist in the determination of the effect or the change or changes, as the case may be, in PAS or PFRS, which determination shall be final absent manifest error). For the avoidance of doubt, the prohibition hereunder shall not apply to distributions of capital by the Issuer pursuant to any of its employee stock option plans, employee stock grant plans or other similar incentive plans.

(e) Guarantee – Assume, guarantee, endorse or otherwise become directly or contingently liable (including, without limitation, liable by way of agreement, contingent or otherwise, to purchase, use facilities, provide funds of payment, supply funds to or otherwise invest in the debtor or otherwise assure the debtor against loss) for or in connection with any obligation or Debt of any Person. This prohibition shall not apply to (a) Guarantees extended by the Issuer in the ordinary course of its business, including but not limited to, Guarantees or financial support undertakings in connection with the acquisition transactions (whether through competitive bidding or otherwise), and greenfield projects or expansion projects undertaken by any Subsidiary or Downward Affiliate in which the Issuer has an effective equity ownership of at least 20%, (b) guarantees of obligations of Subsidiaries of the Issuer, (c) guarantees of obligations of the employees of the Issuer in connection with their employment, not exceeding Five Million U.S. Dollars (US\$5,000,000.00) or the relevant Currency Equivalent in the aggregate in any Financial Year, and (d) guarantees of obligations of Downward Affiliates of the Issuer but only up to the proportion in percentage terms of the Issuer's direct or effective ownership in such Downward Affiliate; provided that, in each case, the Issuer is in compliance with all financial covenants set forth in Sec. 4.2 (h) of the Terms and Conditions on a pro forma basis.

(f) Loans and Advances to Directors, Officers and Stockholders – Extend any loans, advances or subsidies to any of its directors, officers, employees or stockholders other than: (i) loans in the ordinary course of the Issuer's business (such as, but not limited to, loans extended to employees under employee benefit programs that may from time to time be implemented by the Issuer), or (ii) where the same shall not have a Material Adverse Effect.

(g) Capital Expenditures – Make or incur any capital expenditures, if at the time of, or after giving effect to such transaction, an Event of Default would result therefrom.

(h) Incur Financial Indebtedness – Incur Financial Indebtedness (other than (i) accounts payable incurred in the ordinary course of business, (ii) Financial Indebtedness to be incurred under the Bonds, (iii) any Financial Indebtedness created under Permitted Liens, and (iv) any Financial Indebtedness proceeds of which will be used to refinance the existing debt, except if after giving effect to the incurrence of such Financial Indebtedness, the Issuer's Financial Indebtedness to Total Equity ratio does not exceed 3.00x; testing to be done using the most recent unaudited unconsolidated financial statements or the most recent audited unconsolidated financial statements, whichever is applicable; provided that, on the basis of the latest available Financial Statements, with respect to Financial Indebtedness to Total Equity ratio, if any Financial Indebtedness ("Refinancing Indebtedness") is incurred solely for the purpose of repaying or prepaying (as the case may be) any existing Financial

Indebtedness on or before its due date ("Refinanced Indebtedness") and paying any fees or expenses in connection therewith, then such Refinancing Indebtedness will not be included in Financial Indebtedness; provided, further, that if such Refinanced Indebtedness is not irrevocably repaid in full on the earliest of a date within six (6) months following the date that the Refinancing Indebtedness was incurred (such period being "Refinancing Period"), then the principal amount of the Refinancing Indebtedness which is not applied to the repayment of the Refinanced Indebtedness within such Refinancing Period will be included in Financial Indebtedness beginning in the Measurement Period during which the Refinancing Indebtedness was incurred.

The PAS or PFRS to be used for computing the financial ratio shall be the PAS or PFRS applicable as of December 31, 2020. If, as a result of any change or changes in PAS or PFRS, the computation of the above ratio would, solely as a consequence of such change/s in PAS or PFRS, result in a Financial Indebtedness to Total Equity ratio that is higher than the same ratio computed on the basis of PAS or PFRS in effect immediately before such change or changes shall have become effective, then the Issuer and the Trustee, at the instance of the former, shall negotiate in good faith and in an expeditious manner the terms and conditions of an amendment to the computation of such ratio (assisted by the hiring of a third party expert acceptable to the Issuer and the Trustee to assist in the determination of the effect of the change or changes, as the case may be, in PAS or PFRS, which determination shall be final absent manifest error).

(i) Loans and Advances to any Person – Extend any loans, advances or subsidies to any Person, except: (i) loans, advances or subsidies in the ordinary course of business and on arm's length commercial terms, (ii) permitted loans, advances or subsidies to the Issuer's directors, officers, employees or stockholders in accordance with item (f) of the Section on Affirmative Covenants in this Offer Supplement made in the ordinary course of business, (iii) Guarantees or financial support undertaking allowed under item (e) of the Section on Affirmative Covenants in this Offer Supplement (iv) loans, advances or subsidies to any of the Issuer's Subsidiaries and Downward Affiliates in relation to transactions undertaken by such Subsidiaries or Downward Affiliates, provided that in any of the foregoing exceptions, the same shall not result in the occurrence of an Event of Default.

(j) Negative Pledge - Directly or indirectly, incur or suffer to exist any Lien upon any of its assets and revenues, present and future, or enter into any loan facility agreement secured by or to be secured by a Lien upon any of its assets and revenues, present and future, unless it has made or will make effective provisions, satisfactory to the Majority Bondholders, in the First Tranche Bondholder's absolute discretion, whereby the Lien thereby created will secure, on an equal first ranking and ratable basis, any and all the obligations of the Issuer hereunder and such other Debt which such Lien purports to secure; provided, that the foregoing restriction shall not apply to the following (the "Permitted Liens"):

(i) Liens over any shares held by the Issuer in Bac-Man Geothermal Inc., First Gen Hydro Power Corporation, EDC Wind Energy Holdings Inc., EDC Wind Energy Holdings 2 Inc., Energy Development (EDC) Chile Holdings SPA, EDC Holdings International Limited, EDC Geothermal Corp., EDC Bright Solar Energy Holdings, Inc. or PT EDC Indonesia;

(ii) Liens arising from any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements for the purposes of netting its debit and credit balances or in connection with any hedging transaction entered into in the ordinary course of business and not for speculative purposes;

(iii) Liens arising from any sale, transfer or other disposal of any assets on terms where it is or may be leased to or re-acquired by EDC or any of its related entities, provided that the aggregate amount of all such arrangements outstanding at any time is no greater than Ten Million U.S. Dollars (US\$10,000,000.00) or the relevant Currency Equivalent;

(iv) Liens arising from any sale, transfer or other disposal of receivables under recourse terms, provided that the aggregate amount of all such arrangements relating to receivables outstanding at any time is no greater than Ten Million U.S. Dollars (US\$10,000,000.00) or the relevant Currency Equivalent;

(v) Liens over any shares held by the Issuer in any company in which the Issuer has equity ownership in order to secure any Limited Recourse Project Financing or any Subsidiary's or Downward Affiliate's Limited Recourse Project Financing;

(vi) Liens for taxes, assessments or governmental charges or levies which are being contested in good faith;

(vii) Liens arising by operation of law (including, for the avoidance of doubt, any preference or priority under Article 2244, paragraph 14(a) of the Civil Code of the Philippines existing prior to the date of the Trust Indenture) on any property or asset of the Issuer, including, without limitation, amounts owing to a landlord, carrier, warehouseman, mechanic or materialman and any Liens pursuant to workers' compensation, unemployment insurance and other social security laws;

(viii) Liens incurred on cash deposits made in the ordinary course of business to secure (or obtain letters of credit that secure) the performance of tenders, statutory obligations, surety or appeal bonds, bonds for release of attachment, stay of execution or injunction, bids, tenders, leases, government contracts and similar obligations (including, without limitation, cash collaterals or hold-out arrangements to secure the repayment of any letter of credit which may be submitted by the Issuer or any of its Subsidiaries or Downward Affiliates in relation to acquisition transactions (whether through competitive bidding or otherwise) of any power plant and related facilities undertaken or administered by PSALM or any other governmental authority or agency), and greenfield projects or expansion projects undertaken by the Issuer or any company in which the Issuer has an effective equity ownership of at least 20%;

(ix) Liens created on the Issuer's shareholdings in Subsidiaries or Affiliates (whether now existing or acquired hereafter) to secure any debt incurred by such Subsidiaries or Affiliates for project financing or to secure any debt the principal amount of which does not exceed Thirty Million U.S. Dollars (US\$30,000,000.00) or the relevant Currency Equivalent;

(x) Liens created by or resulting from any litigation or legal proceeding which is effectively stayed while the underlying claims are being contested in good faith by appropriate proceedings and with respect to which the Issuer has established adequate reserves on its books in accordance with PAS/PFRS;

(xi) Liens arising from leases or subleases granted to others, easements, zoning restrictions, rights-of-way and similar charges or encumbrances on real property imposed by Applicable Law or arising in the ordinary course of business that are not incurred in connection with the incurrence of a Debt and that do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Issuer;

(xii) Liens incidental to the normal conduct of the business of the Issuer or ownership of its properties and which are not incurred in connection with the incurrence of a Debt and which do not in the aggregate materially impair the use of such property in the operation of the business of the Issuer or the value of such property for the purpose of such business;

(xiii) Liens upon tangible personal property (by purchase or otherwise) granted by the Issuer to (i) the vendor, supplier, any of their affiliates or lessor of such property, or (ii) other lenders arranged to secure Debt representing the costs of such property, or incurred to refinance the same principal amount of such purchase money debt outstanding at the time of the refinancing, and not secured by any other asset other than such property;

(xiv) Pre-existing Liens on after-acquired property of the Issuer;

(xv) Liens created with the prior written consent of the Majority Bondholders; and

(xvi) Liens created pursuant to a Refinancing Indebtedness provided that (i) the Issuer repays the Refinanced Indebtedness in full in case of refinancing on Maturity Date or on prepayment date in case of prepayment, and the repayment shall be effected within three (3) Business Days from the earlier of (x) the creation of such Liens or (y) drawdown on the Refinancing Indebtedness; provided further that, no additional Liens, other than pre-existing Liens will be created pursuant to the Refinancing Indebtedness.

(k) Investments – Invest in or acquire:

(i) Any share in or any security issued by any Person, or any interest therein or in the capital of any Person; or

(ii) Directly or indirectly, the business or going concern, or all or substantially all of the properties or assets or business, of any Person or invest in a controlling interest therein,

except where such investment or acquisition will not materially and adversely affect the Issuer's ability to perform its payment obligations under the Trust Indenture and the First Tranche Bonds, and any investment in such Person, when aggregated with any loan extended by the Issuer to such Person pursuant to the exception in item (i)(iv) of the Section on Negative Covenants in this Offer Supplement does not exceed 60% of the Issuer's Tangible Net Worth.

The restriction under this Section shall not apply to:

(i) Permitted Investments; and

(ii) Any investments in Subsidiaries or affiliates,

provided that such investment in (i) or (ii) will not have a Material Adverse Effect.

(l) Arm's Length Transactions – Subject to the provisions of the Section in Negative Covenants in this Offer Supplement on Guarantee (paragraph (e), Loans and Advances to Directors, Officers and Stockholders (paragraph (f), and Loans and Advances to any Person (specifically, paragraphs (i)(iii) and (i)(iv)), enter into any transaction or agreement between the Issuer, on one hand, and its shareholders or affiliate of the Issuer or its shareholders on the other hand, except on an arm's length commercial basis or in the ordinary course of business; provided, that the foregoing restriction shall not apply to (i) any advances or investments in Subsidiaries or Downward Affiliates, of which 20% or more of whose securities, or other ownership interest having voting power to elect the board of directors or other person or body performing similar functions, are directly or indirectly owned by the Issuer; and (ii) any transaction entered into by the Issuer, or a Subsidiary or Downward Affiliate of the Issuer with another Subsidiary or Downward Affiliate of the Issuer that does not or would not reasonably be expected to have a Material Adverse Effect.

(m) Preferred Debt – Incur or permit to arise any indebtedness which ranks ahead of the First Tranche Bonds merely by virtue of being evidenced by a public instrument as provided by Article 2214, paragraph 14(a) of the Civil Code of the Philippines, as the same may be amended from time to time, except any of the following: (i) notarized indebtedness not exceeding [Twenty Five Million U.S. Dollars (US\$25,000,000.00)] or the relevant Currency Equivalent in the aggregate at any time, or (ii) to the extent that the relevant lender or creditor waives the benefit of such preference or priority.

EVENTS OF DEFAULT

The Issuer shall be considered in default under the First Tranche Bonds and the Trust Indenture in case any of the following events (each an "Event of Default") shall occur and is continuing:

(a) Payment Default

The Issuer fails to pay any of the principal, interest and fees or any other sum payable by the

Issuer under the First Tranche Bonds, as and when due and payable at the place and in the currency in which it is expressed to be payable; provided, that such non-payment shall not constitute an Event of Default if it is solely due to an administrative or technical reason not attributable to the fault or negligence of the Issuer affecting the transfer of funds despite timely payment instruction having been given by the Issuer and such payment is received by the Paying Agent within two (2) Business Days from the relevant due date.

(b) Representation Default

Any representation or warranty made or repeated by the Issuer in any of the First Tranche Bonds is incorrect or misleading in any material respect when made or deemed to have been made or repeated, and the same is not cured within a period of thirty (30) days after written notice of such failure given by the Trustee is received by the Issuer.

(c) Other Provisions Default

The Issuer fails to perform or comply with any term, obligation or covenant of the First Tranche Bonds which would materially and adversely affect the ability of the Issuer to meet its obligations under the Trust Indenture and Terms and Conditions and such failure is not remediable or, if remediable (in the reasonable opinion of the Majority Bondholders), shall continue unremedied during the applicable grace period or, in the absence of such grace period, within a period of thirty (30) days after written notice of such failure given by the Trustee is received by the Issuer.

(d) Cross Default and Cross Acceleration

The Issuer fails to pay or defaults in the payment of any installment of the principal or interest relative to any Financial Indebtedness, or fails to comply with or to perform, any other obligation, or commits a breach or violation of any of the terms, conditions or stipulations, which non-compliance, breach or violation shall result in the acceleration of payment of any Financial Indebtedness of the Issuer under any agreement, contract or document with the First Tranche Bondholder or any Person, whether executed prior to or after the date hereof or under which the Issuer has agreed to act as guarantor, surety or accommodation party in the same amount or more, which, under the terms of such agreement, contract, document, guaranty or suretyship, including any agreement similar or analogous thereto, shall constitute a default thereunder after allowing for all applicable grace periods; provided, that no Event of Default shall occur under this paragraph unless the aggregate amount involved in the occurrence of one or more of the above events or breaches is at least [Thirty Million U.S. Dollars (USD30,000,000.00)] or the relevant Currency Equivalent.

(e) Cancellation or Modification of License

Any Governmental Approval now or hereafter necessary to enable the Issuer to comply with its obligations under the First Tranche Bonds or required for the conduct of its business and operations shall be (i) withdrawn, withheld, revoked, cancelled or otherwise terminated in a manner which, in the reasonable opinion of the First Tranche Bondholders, would materially and adversely affect the ability of the Issuer to comply with such obligations or would materially and adversely affect the financial condition or operations of the Issuer taken as a whole, or (ii) modified in a manner which, in the reasonable opinion of the First Tranche Bondholders, would have the same adverse effect as a withdrawal, revocation, cancellation or termination of such Governmental Approval and would materially and adversely affect the ability of the Issuer to comply with its obligations under the Bond or would materially and adversely affect the operations of the Issuer taken as a whole, and such Governmental Approval is not reinstated within sixty (60) Business Days of having been so withdrawn, revoked, terminated or cancelled or, in the case of such Governmental Approval being withheld, the same is not issued within sixty (60) Business Days from the time that a material and adverse effect on the ability of the Issuer to comply with its obligations under the First Tranche Bonds or on the financial condition or operations of the Issuer, taken as a whole, is caused by the absence of such Governmental Approval or, in the case of a modification described in item (ii) of this Section, such Governmental Approval is not further modified as to effect a reinstatement thereof, within sixty (60) Business Days of having

been so modified.

(f) Inability to Pay Debts; Bankruptcy Default

The Issuer becomes insolvent or unable to pay its Debts when due or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the Issuer, in any bankruptcy, insolvency, administration, suspension of payment, rehabilitation, reorganization, winding-up, dissolution, moratorium or liquidation proceeding of the Issuer, or any other proceeding analogous in purpose and effect, unless for such petition filed against the Issuer, it is contested in good faith by the Issuer in appropriate proceedings or otherwise dismissed by the relevant court within sixty (60) days from the filing of such petition; (ii) the making of a general assignment by the Issuer for the benefit of its creditors; (iii) the admission in writing by the Issuer, through its President, Chief Executive Officer, Chief Operating Officer or Chief Financial Officer, of its general inability to pay its Debts; (iv) the entry of any order of judgment of any competent court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of the Issuer or approving any reorganization, winding-up or liquidation of the Issuer, unless withdrawn or revoked by the appropriate court, tribunal or administrative agency or body within sixty (60) days from entry of such order of judgment; (v) the lawful appointment of a receiver or trustee to take possession of a substantial portion of the properties of the Issuer, unless contested in good faith by the Issuer in appropriate proceedings; or (vi) the taking of any corporate action by the Issuer to authorize any of the foregoing, unless withdrawn or rescinded within sixty (60) days from the taking of such action.

(g) Expropriation

Any act or deed or judicial or administrative proceedings in the nature of an expropriation, confiscation, nationalization, acquisition, seizure, sequestration or condemnation of or with respect to all or a material part of the business and operations of the Issuer, or all or substantially all of the property or assets of the Issuer, shall be undertaken or instituted by any Governmental Authority, unless such act, deed or proceeding is otherwise contested in good faith by the Issuer in an appropriate proceeding.

(h) Judgment Default

A final and executory judgment, decree or order for the payment of money, damages, fine or penalty or its equivalent shall be rendered against the Issuer which, together with all other judgments against the Issuer then outstanding and unsatisfied, may in the reasonable opinion of the Majority Bondholders (which opinion shall be exercised in good faith, fairly and equitably) materially and adversely affect the ability of the Issuer to comply with its obligations under the First Tranche Bonds, and (i) the Issuer has failed to demonstrate to the reasonable satisfaction of the Majority Bondholders within thirty (30) days of the judgment, decree or order being entered that it is reasonably certain that the judgment, decree or order will be satisfied, discharged or stayed within thirty (30) days of the judgment, decree or order being entered, or (ii) the said final judgment, decree or order is not paid, discharged, stayed or fully bonded within thirty (30) days after the date when payment of such judgment, decree or order is due.

(i) Attachment

An attachment or garnishment of or levy upon any of the properties of the Issuer is made which materially and adversely affects the ability of the Issuer to pay its obligations under the First Tranche Bonds and is not discharged or stayed within thirty (30) days (or such longer period as the Issuer satisfies the Majority Bondholders is appropriate under the circumstances) of having been so imposed.

(j) Contest

The Issuer (acting through its President, Chief Executive Officer, Chief Operating Officer or Chief Finance Officer) shall contest in writing the validity or enforceability of the First Tranche Bonds or shall deny in writing the general liability of the Issuer under the First Tranche Bonds.

Consequences of Default

(a) Declaration by the Majority Bondholders

If any one or more of the Events of Default shall have occurred and be continuing, the Trustee upon the written direction of the Majority Bondholders, by notice in writing delivered to the Issuer, or the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, may declare all amounts due, including the principal of the First Tranche Bonds, all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in the Trust Indenture or in the First Tranche Bonds to the contrary notwithstanding.

(b) Notice from the Trustee – At any time after any Event of Default shall have occurred, the Trustee may:

(i) By notice in writing to the Issuer, the Paying Agent and the Registrar, require the Paying Agent and the Registrar to:

(x) Act thereafter as agents of the First Tranche Bondholders represented by the Trustee on the terms provided in the Registry and Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Indenture in relation to the First Tranche Bonds and available to the Trustee for such purpose) and thereafter to hold all evidence of all bonds and all sums, documents and records held by them in respect of the First Tranche Bonds on behalf of the Trustee; and/or

(y) Deliver all Bond Certificates and all sums, documents and records held by them in respect of the First Tranche Bonds to the Trustee or as the Trustee shall direct in such notice; provided, that, such notice shall be deemed not to apply to any document or record which the Paying Agent or Registrar is not obliged to release by any law or regulation.

(ii) By notice in writing to the Issuer require the Issuer to make all subsequent payments in respect of the First Tranche Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, proviso (x) above and item (a) of the Section on Affirmative Covenants in this Offer Supplement shall cease to have effect.

Penalty Interest

In case any amount payable by the Issuer under the First Tranche Bonds, whether for principal, interest, fees due to Trustee or Registrar or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty interest on the defaulted amount(s) at the rate of 2% p.a. (the "Penalty Interest") computed on a monthly basis over and above and in addition to the Interest Rate computed on the actual number of days from and including the date on which the said amount/s became due until full payment thereof on a year of 360 days.

Payment During an Event of Default

The Issuer covenants that upon the occurrence and due declaration of any Event of Default, the Issuer shall pay to the First Tranche Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding First Tranche Bonds with interest at the rate borne by the First Tranche Bonds on the overdue principal and with Penalty Interest as described above, and in addition thereto and subject to Section 2.4 of the Trust Indenture, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the actual, documented, and reasonable cost and expenses of collection, enforcing payment of principal

and/or interest on the First Tranche Bonds, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder. Notwithstanding any contrary provision, any such costs incurred by the Trustee shall not require the prior approval of the Issuer.

Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Paying Agent and the Registrar, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second*, to the payment of the interest in default, in the order of the maturity of such interest with Penalty Interest; *third*, to the payment of the whole amount then due and unpaid upon the First Tranche Bonds for principal, and interest, with Penalty Interest; and *fourth*, the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Remedies

All remedies conferred by the Trust Indenture to the Trustee and the First Tranche Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the First Tranche Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the Section below on "*Ability to File Suit*".

No delay or omission by the Trustee or the First Tranche Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the First Tranche Bondholders may be exercised from time to time and as often as may be necessary or expedient.

Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

Ability to File Suit

No First Tranche Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such First Tranche Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the First Tranche Bondholders to take up matters related to their rights and interests under the First Tranche Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee for 60 days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the First Tranche Bondholders, it being understood and intended, and being expressly covenanted by every First Tranche Bondholder with every other First Tranche Bondholder and the Trustee, that no one or more First Tranche Bondholders shall have any right in any manner whatsoever by virtue of or by availing of

any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such First Tranche Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the First Tranche Bondholders.

Waiver or Revocation of Default by the First Tranche Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and in behalf of the First Tranche Bondholders to waive any past Default, any of the Events of Default and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that no Default arising from the following paragraphs on the Section on Default (please refer to page [28] of this Offer Supplement): paragraph (a) (Payment Default), paragraph (b) (Representation Default), paragraph (d) (Cross Default and Cross Acceleration), paragraph (e) (Cancellation of License), and paragraph (f) (Inability to Pay Debts; Bankruptcy Default), and its consequences, may be waived or revoked; provided further that, no such waiver or revocation shall extend to or shall affect any subsequent Default or shall impair any right arising therefrom.

In case of any such waiver, the Issuer, the Trustee and the First Tranche Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority First Tranche Bondholders shall be conclusive and binding upon all First Tranche Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the First Tranche Bonds.

The Trustee shall, within five (5) Business Days after receipt of the written waiver from the Majority Bondholders or revocation of any default previously declared, give to the First Tranche Bondholders written notice of such waiver, or revocation known to it via publication in a newspaper of general circulation in Metro Manila for two (2) consecutive days as soon as practicable, indicating in the published notice that an Event of Default has occurred and has been waived or a declaration of a default has been revoked by the Majority Bondholders.

SUBSTITUTION

Substitution of the First Tranche Bonds is not contemplated.

TRUSTEE; NOTICES

Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture, the Prospectus and this Offer Supplement and all correspondence addressed to the Trustee shall be delivered to:

[•]
Attention : [•]
Address : [•]

Telephone : [•]
Email Address : [•]

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

Notice to the First Tranche Bondholders

Notices to First Tranche Bondholders shall be sent to their mailing address as set forth in the Registry of Bondholders when required to be made through registered mail, surface mail, electronic mail, in case the First Tranche Bondholder has provided his email address in the Application to Purchase the First Tranche Bonds or in writing to the Trustee with instruction to send notices by electronic mail, or personal delivery. Except where a specific mode of notification is provided for herein, notices to First Tranche Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; (iv) personal delivery to the address of record in the Registry of Bondholders; (v) electronic mail; or (vi) disclosure through the Online Disclosure System of the PDEx. The Trustee shall rely on the Registry of Bondholders in determining the First Tranche Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication; (iv) on date of delivery, by personal delivery; (v) on date of transmission from the electronic mail server of the Trustee; and (vi) on the date that the disclosure is uploaded on the website of the PDEx, respectively.

A notice to the Trustee is a notice to the First Tranche Bondholders. The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by the Issuer to the SEC or the PDEx on a matter relating to the First Tranche Bonds shall be deemed a notice to the First Tranche Bondholders of said matter on the date of the first publication.

Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all First Tranche Bondholders and (in the absence of willful default, bad faith or manifest error) no liability to the Issuer, the Paying Agent or the First Tranche Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the First Tranche Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture
- (b) The Trustee shall, in accordance with these Terms and Conditions, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the Issuer's observance of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture.
- (c) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture and these Terms and Conditions.
- (d) The Trustee, in the performance of its duties, shall exercise such rights and powers vested in it by the Trust Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs under similar circumstances.

Liability of the Trustee

No provision of the Trust Indenture shall be construed to relieve the Trustee from liability for its own

gross negligent action, its own gross negligent failure to act, or its willful misconduct, provided that:

(i) Prior to the occurrence of an Event of Default or after the curing or the waiver of all Events of Default which may have occurred, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon, as to the truth of the statements and the correctness of the opinion expressed in, any certificate or opinion furnished to the Trustee conforming to the requirements of the Trust Indenture;

(ii) The Trustee shall not be liable for any error of judgment made in good faith by their respective responsible officer or officers, unless it shall be proven that the Trustee was grossly negligent in ascertaining the pertinent facts; and

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by them in good faith in accordance with the direction of the Majority Bondholders relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Trust Indenture.

None of the provisions contained in the Trust Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of their duties or in the exercise of any of their rights or powers if, in the determination of the Trustee, there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to them under the terms of the Trust Indenture.

(c) Ability to Consult Counsel

(i) The Trustee may consult with reputable counsel in connection with the duties to be performed by the Trustee under the Trust Indenture and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted to be taken by the Trustee hereunder in good faith and in accordance with such opinion; provided that, prior to taking or not taking such action for which opinion of counsel is sought, the Trustee shall inform the Issuer of the relevant opinion of counsel; provided further that, the Trustee shall not be bound by the foregoing condition to inform the Issuer of counsel's opinion if the opinion of counsel which is being sought by the Trustee pertains to, or involves actions to be undertaken due to, an Event of Default or issues pertaining thereto.

(ii) Notwithstanding any provision of the Trust Indenture authorizing the Trustee conclusively to rely upon any certificate or opinion, the Trustee may, before taking or refraining from taking any action in reliance thereon, require further evidence or make any further investigation as to the facts or matters stated therein which they may in good faith deem reasonable in the circumstances; and the Trustee shall require such further evidence or make such further investigation as may reasonably be requested in writing by the Majority Bondholders.

(d) The Trustee as Owner of the First Tranche Bonds

The Trustee, in its individual or any other capacity, may become a holder of the First Tranche Bonds with the same rights it would have if it were not the Trustee and the Trustee shall otherwise deal with the Issuer in the same manner and to the same extent as though it were not the Trustee hereunder; provided, that such ownership shall not be considered a conflict of interest requiring resignation or change of the Trustee under the section on "Resignation and Change of Trustee" below.

Resignation and Change of Trustee

(a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the First Tranche Bondholders of such resignation.

(b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the resigning Trustee and one (1) copy to

the successor trustee. If no successor shall have been so appointed and have accepted appointment within forty-five (45) days after the giving of such notice of resignation, the resigning Trustee on behalf of the First Tranche Bondholders and with prior written notice to the Issuer, may appoint a successor trustee. Upon the acceptance of any appointment as trustee hereunder by a successor trustee, such successor trustee shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Trustee, and the resigning Trustee shall be discharged from its duties and obligations hereunder. The resigning Trustee shall cooperate with the successor trustee and the First Tranche Bondholders in all reasonable ways to ensure an orderly turnover of its functions and the records in its custody. Subject to the provisions of Subsection (d) below, such a successor trustee should possess all the qualifications required under pertinent laws.

- (c) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days from there remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the successor trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor trustee, any bona fide First Tranche Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee. Subject to the provisions of Subsection (e) below, such successor trustee should possess all the qualifications required under pertinent laws; otherwise, the incumbent trustee shall continue to act as such until a successor trustee is duly appointed.
- (d) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the First Tranche Bondholders in the Terms and Conditions attached to the Trust Indenture.
- (e) Any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions of this Subsection shall become effective upon the earlier of the: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture; or (ii) effectivity of the resignation notice sent by the Trustee under Subsection (a) above and Section 20(e)(i) of the Trust Indenture (the "Resignation Effective Date") or the lapse of the thirty (30)-day period from the time the cause for removal under Section 20(e)(iii) arose (the "Removal Effective Date"); provided, however, that after the Resignation Effective Date and, as relevant, until such successor trustee is qualified and appointed (the "Holdover Period"), the resigning or removed Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor Trustee promptly upon the appointment thereof by the Issuer provided further that the resigning Trustee shall be entitled to the payment of the fee stipulated in Section 2.2 of the Trust Indenture during the Holdover Period.

Successor Trustee

- (a) Any successor trustee appointed as provided in this Section shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request

of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.

- (b) Upon acceptance of the appointment by a successor trustee, the Issuer shall notify the First Tranche Bondholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the First Tranche Bondholders within ten (10) days after the acceptance of appointment by the trustee, the latter shall cause the First Tranche Bondholders to be notified at the expense of the Issuer.

Reports to the First Tranche Bondholders

The Trustee shall submit to the First Tranche Bondholders on or before January 31 of each year from the relevant Issue Date, until full payment of the First Tranche Bonds, a brief report dated December 31 of the immediately preceding year with respect to:

- (i) The funds, if any, physically in the possession of the Paying Agent held in trust for the First Tranche Bondholders on the date of such report; and
- (ii) Any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the First Tranche Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.

The Trustee shall submit to the First Tranche Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the First Tranche Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least 10% of the aggregate outstanding principal amount of the First Tranche Bonds at such time.

- (g) Merger or Consolidation

Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation succeeding to the business of the Trustee shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that, such successor trustee shall be eligible under the provisions of the Trust Indenture and the Securities Regulation Code; however, where such successor trustee is not qualified under the pertinent Laws, then the provisions of the section on "Resignation and Change of Trustee" on page [35] of this Offer Supplement shall apply.

- (h) Reliance

In the performance of its obligations under the Trust Indenture, the Trustee is entitled to rely on the records of the Registrar, but shall exercise such judgment and care under the circumstances then prevailing, that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

In addition, the Trustee shall not be held liable for any of its act or omission unless (i) such act or omission was committed with fraud, evident bad faith, gross or willful negligence, or (ii) the Trustee failed to exercise the skill, care, prudence and/or diligence required by law and under the circumstances.

Inspection of Documents

The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

1. Trust Indenture Agreement;
2. Registry and Paying Agency Agreement;
3. Articles of Incorporation and By-Laws of the Company; and
4. Registration Statement of the Company with respect to the Bonds.

MEETINGS OF FIRST TRANCHE BONDHOLDERS

A meeting of the First Tranche Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the First Tranche Bondholders of any specified aggregate principal amount of First Tranche Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the First Tranche Bondholders under the First Tranche Bonds.

Notice of Meetings

The Trustee may at any time call a meeting of the First Tranche Bondholders, or the holders of at least 25% of the aggregate outstanding principal amount of First Tranche Bonds may direct in writing the Trustee to call a meeting of the First Tranche Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the First Tranche Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered First Tranche Bondholders not earlier than forty five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting.

However, the Trustee shall send notices in respect of any meeting called by EDC to obtain consent of the First Tranche Bondholders to an amendment of the Trust Indenture in the following manner: a notice shall be sent to First Tranche Bondholders detailing the amendments proposed and consents requested by EDC not earlier than sixty (60) days nor later than forty five (45) days prior to the date fixed for the meeting, if the First Tranche Bondholder fails to respond as required by such notice, the Trustee shall send a second notice to such First Tranche Bondholder not later than fifteen (15) days prior to the date fixed for the meeting. Each of such notices shall be published in a newspaper of general circulation as provided in the Trust Indenture. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

Failure of the Trustee to Call a Meeting

In case at any time the Issuer, pursuant to a resolution of its board of directors or executive committee, or the holders of at least twenty five percent (25%) of the aggregate outstanding principal amount of the First Tranche Bonds shall have requested the Trustee to call a meeting of the First Tranche Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting within twenty (20) days after receipt of such request, the notice of such meeting, then the Issuer or the First Tranche Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders shall be necessary to constitute a quorum to do business at any meeting of the First Tranche Bondholders except for any meeting called by EDC solely for the purpose of obtaining the consent of the First Tranche Bondholders to an amendment of the Trust Indenture, where the failure of any First Tranche Bondholder to transmit an objection to such proposal of EDC after at least two (2) notices to such First Tranche Bondholder have been sent by the Trustee, will be considered by the Trustee as an affirmative vote (and such First Tranche Bondholder

will be considered present for quorum purposes by the Trustee) for the proposal of EDC.

Procedure for Meetings

- (a) The Trustee shall preside at all the meetings of the First Tranche Bondholders, unless the meeting shall have been called by the Issuer or by the First Tranche Bondholders, in which case the Issuer or the First Tranche Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.
- (b) Any meeting of the First Tranche Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the First Tranche Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

Voting Rights

To be entitled to vote at any meeting of the First Tranche Bondholders, a person shall be a registered holder of one (1) or more First Tranche Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. First Tranche Bondholders shall be entitled to one vote for every Ten Thousand Pesos (₱10,000.00) interest. The only persons who shall be entitled to be present or to speak at any meeting of the First Tranche Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

Voting Requirement

All matters presented for resolution by the First Tranche Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture (please refer to the discussion on "Quorum"). Any resolution of the First Tranche Bondholders which has been duly approved with the required number of votes of the First Tranche Bondholders as herein provided shall be binding upon all the First Tranche Bondholders and the Issuer as if the votes were unanimous. Provided that:

- (i) in respect of any matter presented for resolution at any meeting of First Tranche Bondholders that affect the rights and interests of only the holders of the Series A Bonds, a quorum and the affirmative vote of the Majority Series A Bondholders, exclusively, will be required to decide or approve such resolution; and
- (ii) in respect of any matter presented for resolution at any meeting of First Tranche Bondholders that affect the rights and interests of only the holders of the Series B Bonds, a quorum and the affirmative vote of the Majority Series B Bondholders, exclusively, will be required to decide or approve such resolution.

Role of the Trustee in Meetings of the First Tranche Bondholders

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the First Tranche Bondholders, in regard to proof of ownership of the First Tranche Bonds, the appointment of proxies by registered holders of the First Tranche Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

Amendments

EDC and the Trustee may amend these Terms and Conditions or the First Tranche Bonds without notice to any First Tranche Bondholder in order to correct an error, clarify a provision or ensure consistency provided that no rights of any First Tranche Bondholder are adversely affected thereby. Otherwise, amendments shall require the prior written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the First Tranche Bonds).

However, without the consent of each First Tranche Bondholder affected thereby, an amendment may not:

- (1) reduce the amount of First Tranche Bondholder that must consent to an amendment or waiver;
- (2) reduce the rate of or extend the time for payment of interest on any Bond;
- (3) reduce the principal of or extend the Maturity Date of, or vary the Early Redemption Date of, any Bond;
- (4) impair the right of any First Tranche Bondholder to receive payment of principal of and interest on such Holder's First Tranche Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such First Tranche Bondholders;
- (5) reduce the amount payable upon the redemption or repurchase of any Bond under the Terms and Conditions attached to the Trust Indenture or change the time at which any Bond may be redeemed;
- (6) make any Bond payable in money other than that stated in the Bond;
- (7) subordinate the First Tranche Bonds to any other obligation of EDC;
- (8) release any security interest that may have been granted in favor of the First Tranche Bondholders;
- (9) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the First Tranche Bondholders; or
- (10) make any change or waiver of this Section on Amendments.

It shall not be necessary for the consent of the First Tranche Bondholders under this Section to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Section becomes effective, EDC shall send a notice briefly describing such amendment to the First Tranche Bondholders in the manner provided in the Section entitled "Notices".

Evidence Supporting the Action of the First Tranche Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the First Tranche Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the First Tranche Bondholders in person or by the agent or proxy appointed in writing or (ii) the duly authenticated record of voting in favor thereof at the meeting of the First Tranche Bondholders duly called and held in accordance herewith or (iii) a combination of such instrument and any such record of meeting of the First Tranche Bondholders.

GOVERNING LAW

The Bond Agreements are governed by and are construed in accordance with Philippine law.

USE OF PROCEEDS

The net proceeds of the Bonds will be used primarily by the Company to finance or refinance new and existing renewable energy projects that are considered Eligible Green Projects under the EDC Green Bond Framework (see section "EDC Green Bond Framework" on page [48] of the Prospectus).

Eligible Green Projects are those that involve the financing or refinancing of, in whole or in part, the exploration, development, construction, rehabilitation, expansion or acquisition of new or existing renewable energy projects, including: 1) Geothermal energy projects 2) Wind energy projects 3) Solar energy projects, 4) Hydropower projects, 5) Bioenergy projects, and 6) Energy storage projects, subject to certain eligibility criteria (collectively referred to as the "Eligible Green Projects"). The Eligible Green Projects are identified, evaluated and selected based on, but not limited to: a) the Framework, b) EDC's vision, mission, chosen path, strategy, and objectives, c) technical, financial, and commercial feasibility, and d) risks assessment.

The net proceeds shall not be used towards financing and/or refinancing of activities related to coal or any other fossil fuel-related technologies.

Net proceeds from this Offer are estimated to be at least as follows:

For a ₱3.0 billion Issue Size	
	Total
Estimated proceeds from the sale of First Tranche Bonds	₱3,000,000,000
Less: Estimated expenses	
Documentary Stamp Tax	22,500,000
SEC Registration	
SEC Registration Fee and Legal Research	1,451,905
SEC Publication Fee	100,000
Underwriting and Other Professional Fees	
Underwriting Fee	12,000,000
Legal Fee	3,000,000
Audit Fees	4,000,000
Rating Fee	720,000
Listing Application Fee	100,000
Trustee Fees	10,000
Paying Agency and Registry Fees	170,000
Miscellaneous fees	150,000
	44,201,905
Estimated net proceeds for ₱3.0 billion Issue	2,955,798,095
For the ₱2.0 billion Oversubscription Option	
Estimated proceeds from the sale of First Tranche Bonds	₱2,000,000,000
Less: Estimated expenses	
Documentary Stamp Tax	15,000,000
Underwriting Fees	8,000,000
Rating Fee	480,000
Paying Agency and Registry Fees	30,000

	23,510,000
Estimated net proceeds for ₱2.0 billion Over-Subscription Option	1,976,490,000
Total Estimated Net Proceeds	₱ 4,932,288,095

Aside from the foregoing one-time costs, EDC expects the following annual expenses related to the First Tranche Bonds:

1. The Issuer will be charged the first year Annual Maintenance Fee in advance upon the approval of the listing of the First Tranche Bonds by PDex;
2. The Issuer will pay a yearly retainer fee to the Trustee amounting to ₱ 160,000 per annum; and,
3. After the Issue Date, a Paying Agency fee amounting to 5 bps of the amount to be paid with a minimum of ₱ 10,000 and a maximum of ₱100,000 is payable every interest payment date. The Registrar will charge a monthly maintenance fee based on the face value of the First Tranche Bonds and the number of First Tranche Bondholders.

The net proceeds from the issue of the First Tranche Bonds, without the Over-subscription Option (after deduction of commissions and expenses) is approximately ₱2,955.80 million. Assuming the Over-subscription Option of up to ₱2,000.00 million is fully exercised, the Company expects total net proceeds of approximately ₱ 4,932.29 million after deducting fees, commissions and expenses.

For this Offer, the Issuer has identified the Palayan Bayan Binary Project ("PBBP") as an Eligible Green Project.

The PBBP is an expansion project which will utilize the existing geothermal resource of the reinjected brine adjacent to its geothermal operating power plant in Manito, Albay, using an Organic Rankine Cycle ("ORC") process. This is a process wherein heat from brine is used to produce electricity by heating up a motive fluid using heat exchangers to drive the turbine and produce additional electricity from the steam byproduct. The PBBP will be developed and operated by Bac-Man Geothermal Inc. ("BGI"), a wholly-owned subsidiary, through equity contribution by EDC.

The net proceeds of this Offer amounting to ₱ 2,955.80 million, assuming an Issue Amount of ₱ 3,000.00 million, shall be used primarily for the partial reimbursement of equity contributed by EDC into BGI in Q4 2020 and Q1 2021 for the funding of the capital expenditure requirements of PBBP.

If the ₱ 2,000.00 million Over-subscription Option is fully exercised, the additional net proceeds of [₱ 1,976.49] million from the Over-subscription Option shall be allocated as follows:

Purpose	Estimated Amount
Partial reimbursement of equity contributed to BGI in Q4 2020 and Q1 2021 (for PBBP CAPEX)	Up to ₱ 1,339.20 million
Potential fresh equity contribution for Q1 2022 (for PBBP CAPEX)	Up to ₱ 637.29 million
Total	Up to ₱ 1,976.49 million

Any shortfall in the net proceeds for the intended uses described above shall be funded by the Issuer from internal sources such as cash flows generated from operations and/or availments from credit facilities provided to the Issuer by various financial institutions.

Pending the above uses, the Company intends to invest the net proceeds from the Issue in short-term and medium-term liquid investments including but not limited to short-term government securities, bank deposits and money market placements which are expected to earn prevailing market rates, consistent with the EDC Green Bond Framework.

The net proceeds from the Issue will not be used to reimburse any officer, director, employee or shareholder for services rendered, assets previously transferred, money loaned or advanced or otherwise.

The Company undertakes that it will not use the net proceeds from the Issue for any purpose, other than as discussed above. However, the Company's plans may change, based on factors including changing macroeconomic and market conditions, or new information regarding the cost or feasibility of these plans. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to reallocate the net proceeds within the categories described above, or to alter its plans, including modifying the projects described in the foregoing and/or pursuing different projects. In the event of any substantial deviation/adjustment in the planned uses of proceeds, the Company shall inform the SEC and the stockholders within thirty (30) days prior to its utilization.

PLAN OF DISTRIBUTION

BDO Capital & Investment Corporation, and BPI Capital Corporation, as Joint Lead Underwriters, and SB Capital Investment Corporation, as Co-Lead Underwriter, pursuant to an Underwriting and Issue Management Agreement with EDC executed on [•] (the "Underwriting Agreement"), have agreed to act in such respective capacities for the Offer and as such, distribute and sell the First Tranche Bonds at the Issue Price, and have also committed to underwrite ₱3,000,000,000 on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

Each of the Underwriters has committed to underwrite the Offer on a firm basis up to the amount indicated below:

Underwriters	Amount
BDO Capital & Investment Corporation	₱1,375,000,000.00
BPI Capital Corporation	₱1,375,000,000.00
SB Capital Investment Corporation	₱250,000,000.00
Total	₱3,000,000,000.00

There is no arrangement for the Underwriters to return to EDC any unsold First Tranche Bonds. The Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the First Tranche Bonds being made to EDC. There is no arrangement as well giving the Underwriters the right to designate or nominate any member to the Board of the Issuer.

EDC will pay the Underwriters a fee of up to [0.40]% on the final aggregate nominal principal amount of the First Tranche Bonds issued, which is inclusive of all the fees to be ceded. No fees will be given to Broker-Dealers selling the First Tranche Bonds.

The Underwriters are duly licensed by the SEC to engage in underwriting and distribution of securities to the public.

BDO Capital is the wholly-owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital commenced operations in March 1999.

BPI Capital is the wholly-owned investment banking subsidiary of the Bank of the Philippine Islands and is duly licensed by the SEC to engage in the underwriting and distribution of securities. BPI Capital offers investment banking services in the areas of financial advisory, mergers and acquisitions, debt and equity underwriting, private placement, project finance and loan syndication. It began operations as an investment house in December 1994.

SB Capital is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. SB Capital provides a wide range of investment banking services including financial advisory, underwriting of equity and debt securities, project finance, privatizations, mergers and acquisitions, loan syndications and corporate advisory services. SB Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital markets and were involved in a lead role in a substantial number of major equity and debt issues.

SALE AND DISTRIBUTION

The distribution and sale of the First Tranche Bonds shall be undertaken by the Underwriters who shall sell and distribute the First Tranche Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Underwriters from purchasing the First Tranche Bonds for their own respective accounts.

There are no persons to whom the First Tranche Bonds are allocated or designated. The First Tranche Bonds shall be offered to the public at large and without preference.

The obligations of each of the Underwriters will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Underwriters. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an Underwriter to carry out its obligations thereunder shall neither relieve the other Underwriters of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the obligation of another Underwriter.

OFFER PERIOD

The Offer Period for the First Tranche Bonds shall commence at 9:00 am of [May 10, 2021], and end at 12:00 pm of [May 14, 2021].

APPLICATION TO PURCHASE

Applicants may purchase the First Tranche Bonds during the relevant Offer Periods by submitting to the Underwriters properly completed Applications to Purchase, together with two signature cards, and the full payment of the purchase price of the First Tranche Bonds in the manner provided in the said Application to Purchase.

Corporate and institutional applicants must also submit, in addition to the foregoing, a copy of their SEC Certificate of Registration of Articles of Incorporation and By-Laws, Articles of Incorporation, By-Laws, and the appropriate authorization by their respective boards of directors and/or committees or bodies authorizing the purchase of the First Tranche Bonds and designating the authorized signatory(ies) thereof.

Individual applicants must also submit, in addition to accomplished Applications to Purchase and its required attachments, a photocopy of any one of the following valid identification cards ("ID"), subject to verification with the original ID: passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID.

A corporate and institutional investor who is exempt from or is not subject to withholding tax shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status, undertaking to immediately notify the Issuer of any suspension or revocation of the duly-accepted tax exemption certificates and agreeing to indemnify and hold the Issuer free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities; provided that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges subject to the submission by the First Tranche Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Underwriters prior to the end of the Offer Period, or such earlier date as may be specified by the Underwriters. Acceptance by the Underwriters of the completed Application to Purchase shall be subject to the availability of the First Tranche Bonds and the acceptance by EDC. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase shall be deemed revoked.

MINIMUM PURCHASE

A minimum purchase of Fifty Thousand Pesos (₱50,000.00) for each series of the First Tranche Bonds shall be considered for acceptance. Purchases for each series of the First Tranche Bonds in excess of the minimum shall be in multiples of Ten Thousand Pesos (₱10,000.00) for each series.

ALLOTMENT OF THE FIRST TRANCHE BONDS

If the First Tranche Bonds are insufficient to satisfy all Applications to Purchase, the available First Tranche Bonds shall be allotted in accordance with the chronological order of submission of properly completed and appropriately accomplished Applications to Purchase on a first-come, first-served basis, without prejudice and subject to EDC's exercise of its right of rejection.

ACCEPTANCE OF APPLICATIONS

EDC and the Underwriters reserve the right to accept or reject applications to purchase the First Tranche Bonds, and in case of oversubscription, allocate the First Tranche Bonds available to the applicants in a manner they deem appropriate.

REFUNDS

If any application is rejected or accepted in part only, the application money or the appropriate portion thereof shall be returned without interest to such applicant through the relevant Underwriter with whom such application to purchase the First Tranche Bonds was made.

PAYMENTS

The Paying Agent shall open and maintain a Payment Account, which shall be operated solely and exclusively by the said Paying Agent in accordance with the Registry and Paying Agency Agreement, provided that beneficial ownership of the Payment Account shall always remain with the First Tranche Bondholders. The Payment Account shall be used exclusively for the payment of the relevant interest and principal on each Payment Date.

The Paying Agent shall maintain the Payment Account for six (6) months from Maturity Date or date of early redemption. Upon closure of the Payment Account, any balance remaining in such Payment Account shall be returned to the Issuer and shall be held by the Issuer in trust and for the irrevocable benefit of the First Tranche Bondholders with unclaimed interest and principal payments.

PURCHASE AND CANCELLATION

The Issuer may purchase the First Tranche Bonds at any time in the open market or by tender or by contract at market price, in accordance with PDEX Rules, without any obligation to make pro-rata purchases from all First Tranche Bondholders. First Tranche Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the First Tranche Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

SECONDARY MARKET

EDC intends to list the First Tranche Bonds in the PDEX. EDC may purchase the First Tranche Bonds at any time without any obligation to make pro-rata purchases of First Tranche Bonds from all First Tranche Bondholders.

REGISTRY OF BONDHOLDERS

The First Tranche Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the First Tranche Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the First Tranche Bonds shall be shown in the Registry of Bondholders to be maintained by the Registrar. Initial placement of the First Tranche Bonds and subsequent transfers of interests in the First Tranche Bonds shall be subject to applicable prevailing Philippine selling restrictions. The names and addresses of the First Tranche Bondholders and the particulars of the First Tranche Bonds held by them and of all transfers of First Tranche Bonds shall be entered into the Registry of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the scripless Registry of Bondholders.

DETERMINATION OF THE OFFER PRICE

The First Tranche Bonds shall be issued at 100% of the principal amount or face value.

CAPITALIZATION AND INDEBTEDNESS

As at December 31, 2020, the authorized capital stock of the Issuer was ₱30.2 billion or 42.3 billion shares divided into 27.0 billion common shares with par value of ₱1.0 per share, 15.0 billion voting preferred shares with par value of ₱0.01 per share and 0.3 billion non-voting preferred shares with par value of ₱10.00 per share and its issued capital stock was ₱17.1 billion consisting of 17.0 billion common shares with par value of ₱1.00 per share and 9.4 billion voting preferred shares with par value of ₱0.01 per share.

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as at December 31, 2020 and as adjusted to give effect to the issue of the First Tranche Bonds (assuming the Oversubscription Option is exercised). This table should be read in conjunction with the Issuer's audited consolidated financial statements as at December 31, 2020 and notes thereto, included elsewhere in this Offer Supplement.

(In Million Pesos)	As of December 31, 2020	As adjusted for ₱ 5.0 billion issue
Short-term debt		
Current portion of long-term debts ¹	14,164.4	14,164.4
Total short-term debts	14,164.4	14,164.4
Long-term debts - net of current portion		
Long-term debts - net of current portion	45,865.9	45,865.9
The issue of First Tranche Bonds ²		5,000.0
Total long-term debts	45,865.9	50,865.9
Equity		
Common stock ³	19,076.3	19,076.3
Preferred stock	93.8	93.8
Treasury stock	(14,679.3)	(14,679.3)
Additional paid-in capital	8,715.1	8,715.1
Equity reserve	(3,706.4)	(3,706.4)
Common shares in employee trust account		
Net accumulated unrealized gain on financial assets at fair value	220.4	220.4
Fair value adjustments on hedging transactions	(813.8)	(813.8)
Cumulative translation adjustments	379.2	379.2
Retained earnings	51,935.8	51,935.8
Equity attributable to equity holders of the parent	61,221.1	61,221.1
Non-controlling interest	2,008.1	2,008.1
Total Equity	63,229.2	63,229.2
Total Capitalization⁴	123,259.5	128,259.5

1. Current portion of long-term debts pertains to total long-term debts that are maturing within one year.
2. The amount of proceeds from the Bond offering is presented gross of bond issue costs.
3. Foreigners own 9,241,872,197 of the Company's outstanding common shares. None of the Company's preferred shares are foreign-owned.
4. Total capitalization is the sum of short-term debt, long-term debt and equity.

PARTIES TO THE OFFER

ISSUER

Energy Development Corporation

JOINT ISSUE MANAGERS, JOINT LEAD UNDERWRITERS & BOOKRUNNERS

BDO Capital & Investment Corporation

BPI Capital Corporation

CO-LEAD UNDERWRITER

SB Capital Investment Corporation

TRUSTEE

Rizal Commercial Banking Corporation - Trust and Investments Group

REGISTRY & PAYING AGENT

Philippine Depository & Trust Corp.

ISSUER'S COUNSEL

Quiason Makalintal Barot Torres Ibarra Sison & Damaso

UNDERWRITERS' COUNSEL

Picazo Buyco Tan Fider & Santos

INDEPENDENT AUDITORS

Sycip Gorres Velayo & Co.