

CONDITIONAL JOINT VENTURE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Conditional Joint Venture Agreement ^{JUL 23 2026} "JVA" or the "Agreement") is made and entered into this , in General Santos City, by and between.

IGNITE POWER AND ENERGY HOLDINGS INC., a corporation duly organized and existing under the laws of the Republic of the Philippines with principal address at Units 3204 - 3205, Exquadra Tower, 1 Jade Drive, Ortigas Center, Pasig City, Metro Manila, represented herein by its President and CEO, **Mr. Roel Z. Castro**, hereinafter referred to as "IGNITE."

- and -

SOUTH COTABATO II ELECTRIC COOPERATIVE, INC., an electric cooperative duly organized and existing under the Laws of the Republic of the Philippines, with principal address at J. Catolico Ave., Lagao, Gen. Santos City, South Cotabato, Philippines, represented herein by its Board President, **Mr. Elenito C. Senit, MPA**; hereinafter referred to as "SOCOTECO II."

Collectively, SOCOTECO II and IGNITE are hereinafter referred to as the "Parties" and individually as a "Party".

WITNESSETH: That

WHEREAS, under Presidential Decree 269, as amended, SOCOTECO II was granted by the National Electrification Administration ("NEA") a franchise to own and operate a system for the distribution of electricity in the City of General Santos and the Municipalities of Glan, Malapatan, Alabel, Malungon, Kiamba, Maasim and Maitum, all in the Province of Sarangani and the Municipalities of Polomok and Tupi in the Province of South Cotabato (the "Franchise Area") and is further mandated to provide

a reliable and stable power supply and open and non-discriminatory electric distribution services for consumers and electricity end-users in its franchise area in a least cost manner.

WHEREAS, Section 2 (d) of the EPIRA declared that it is the policy of the state: "To enhance the inflow of private capital into the power generation, transmission and distribution sectors;

WHEREAS, following its regression to a Category B electric cooperative, SOCOTECO II, with the assistance of Prof. Rowaldo "Wali" D. del Mundo, a consultant from the National Electrification Administration ("NEA"), developed an accelerated five- (5-) year CAPEX Catch-Up Plan to rehabilitate and modernize its distribution system, arrest further deterioration, and improve service to its consumers (the "CAPEX Catch-Up Plan");

WHEREAS, on 6 November 2025, the Board of Directors of SOCOTECO II approved and adopted the CAPEX Catch-Up Plan. Thereafter, the Board of SOCOTECO II explored available financial institutions that could potentially finance the implementation of the CAPEX Catch-Up Plan, however, these institutions required, as a precondition to financing, prior approval of the CAPEX Catch-Up Plan by the Energy Regulatory Commission ("ERC") and as such, debt financing was not feasible;

WHEREAS, on 9 December 2025, SOCOTECO II received a proposal from IGNITE for a joint venture, which proposal IGNITE presented to the Board on 28 January 2026;

WHEREAS, through Board Resolution No. 135, Series of 2025, dated 11 December 2025, SOCOTECO II sought guidance from the NEA on the applicable framework and requirements for a potential partnership, and on 15 December 2025, NEA advised the Board of SOCOTECO II that any proposal must be consistent with Presidential Decree No. 269, as amended, and must support the objectives of the CAPEX Catch-Up Plan;

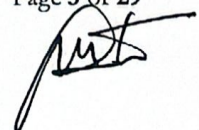
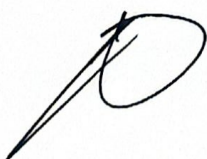
WHEREAS, upon the advice of Prof. del Mundo, the Board of SOCOTECO II adopted the "SOCOTECO II Partnership Framework for Capital Investment," against which IGNITE's proposal was evaluated and was found acceptable in principle, subject to further negotiation and compliance with conditions to be imposed by SOCOTECO II;

WHEREAS, SOCOTECO II submitted Board Resolution Nos. 19, 20, and 28, all series of 2026, to the NEA, which the NEA approved on 31 March 2026, with the condition that any resulting agreement must comply with SOCOTECO II's adopted Terms and Conditions, applicable laws, approval by the member-consumers and NEA, and such additional conditions as NEA may impose;

WHEREAS, SOCOTECO II thereafter communicated its acceptance in principle of IGNITE's proposal, following which the Parties conducted their preliminary due diligence and commenced negotiations for this Agreement;

WHEREAS, IGNITE is a joint venture between Primelectric Holdings, Inc. ("PHI") and Maharlika Pilipinas (MP) Holdings Incorporated ("MPHI");

WHEREAS, PHI is an affiliate of MORE Electric and Power Corporation ("MORE Power") which is the private distribution utility in the Cities of Iloilo and Passi and the Municipalities of Alimodian, Leganes, Leon, New Lucena, Pavia, San Miguel, Santa Barbara, Zarraga, Anilao, Banate, Barotac Nuevo, Dingle, Dueñas, Dumangas and San Enrique, all in the Province of Iloilo and PHI is the absolute majority owner of: (i) Negros Electric and Power Corp. ("NEPC") which is the private distribution utility for the Cities of Bacolod, Silay, Talisay, and Bago and the Municipalities of Murcia and Don Salvador Benedicto all in the Province of Negros Occidental; and (ii) Bohol Light Company, Inc. ("BLCI") which is the private distribution utility for Tagbilaran City, Bohol Province. MORE Power, NEPC and BLCI have the proven financial and technical capabilities and experience in the rehabilitation, modernization and operation of electric distribution systems;



WHEREAS, IGNITE has signified its willingness to partner with SOCOTECO II through the formation of a new Joint Venture Company to facilitate the investment of the needed capital and financial resources and to augment and provide additional technical expertise and experience for the rehabilitation, expansion and modernization of the distribution system in the franchise area of SOCOTECO II to meet the exponential growth and rapidly increasing demand for power and to improve electricity distribution services to consumers therein; **NOW, THEREFORE**, for and in consideration of the foregoing and mutual covenants herein contained, the Parties hereby acknowledge and agree that:

I. SUBJECT OF THE JVA

1. The Joint Venture Company ("JVCo") for purposes of this transaction and for purposes of facilitating the infusion by IGNITE of the needed capital and financial resources for the distribution system in the Franchise Area shall be named **MINDANAO ELECTRIC AND POWER CORP. (pioneered by SOCOTECO II)**. IGNITE shall ensure that the current logo of SOCOTECO II shall be used by JVCo, provided that the name "SOCOTECO II" must always appear in the official logo to be adopted by the JVCo, provided, further, that SOCOTECO II must assign or license the use of all intellectual property necessary for the use of the logo.

II. CONTRIBUTION OF SOCOTECO II TO THE JOINT VENTURE

1. As its contribution to JVCo, SOCOTECO II shall contribute its Distribution Assets, which shall consist of all assets comprising the distribution system of SOCOTECO II, including the following: (a) wires (including subtransmission lines), poles, transformers, substations, electric meters, and associated facilities used to deliver electricity from transmission, sub-transmission or generator connection to the point of connection to end-users, for the avoidance of doubt, all works in progress and contracts or agreements relating thereto shall be covered by this item (a); (b) customer data and files, subject to compliance

with legal and regulatory requirements; (c) contracts and agreements, intellectual properties, trademarks, and licenses listed or disclosed in Annex "A."

2. The Distribution Assets shall exclude the assets listed in Section IV below (the "Excluded Assets").
3. The Distribution Assets shall be initially valued at PESOS: **Nine Billion Nine Hundred Seven Million Eight Hundred Eighteen Thousand and Two Hundred, (Php9,907,818,200.00)** based on their values in the corrected Appraisal Report dated 16 December 2025 prepared by Cuervo Appraisers, Inc., countersigned by both Parties, an independent appraiser commissioned by SOCOTECO II accredited by the Energy Regulatory Commission ("ERC"). For the avoidance of doubt, the initial valuation does not account for any assets that SOCOTECO II may wish to be excluded in the transaction.
4. Prior to the Closing Date for the contribution by SOCOTECO II of its Distribution Assets to JVCo, the initial valuation of the Distribution Assets of SOCOTECO II may be adjusted to include the following: a) the value of any CAPEX projects that SOCOTECO II has implemented or has been implementing which were not included in the Appraisal Report, and b) the value of any inventory of SOCOTECO II that will be contributed to JVCo. The valuations for these adjustments shall be agreed to by the Parties in the Assignment and Turn-Over Agreement under Section XVII hereof. SOCOTECO II has liens and encumbrances on its Distribution Assets and in order to release the Distribution Assets such that they can be freely contributed to the joint venture, the JVCo shall advance Seventy Percent (70%) of such adjusted value for the Distribution Assets (Adjusted Value) to SOCOTECO II upon compliance with the conditions set forth in Section VIII and IX(2) hereof, provided that no payments of any kind shall be made under this agreement prior to the issuance by the Philippine Competition

Commission ("PCC") of the required clearance or certificate of non-coverage for this transaction.

III. SHAREHOLDINGS

1. The remaining Thirty Percent (30%) of the Adjusted Value of SOCOTECO II's Distribution Assets shall represent the capital contribution (inclusive of additional paid-in capital) of SOCOTECO II to JVCo and the subscription payment for its eventual shareholdings in JVCo. A corresponding waiver and assignment of such Thirty Percent (30%) balance of the Adjusted Value shall be executed by SOCOTECO II in favor of JVCo simultaneous with the full payment of the Seventy Percent (70%) Adjusted Value of the Distribution Assets of SOCOTECO II.
2. In recognition of the goodwill value of SOCOTECO II's ongoing business contributed to JVCo, IGNITE shall ensure that the shareholdings of SOCOTECO II in JVCo shall not be diluted to below five percent (5%) of the common shares, Provided that any capital requirements of JVCo may be financed through debt or shareholder advances or such other available options.

IV. EXCLUDED ASSETS

1. For the avoidance of doubt and as laid out in Section II(2) above, the Excluded Assets shall not be included in the Distribution Assets of SOCOTECO II to be transferred to JVCo under this Agreement:
 - 1.1 Cash deposits or securities
 - 1.2 Bill or meter deposits of consumers, which shall be subject to Section XIII(4) hereof
 - 1.3 All Accounts Receivables of SOCOTECO II, subject to the provision in item 7 hereof.
 - 1.4 Retirement Funds regardless of its nature and placements;

- 1.5 Any assets the ownership of which does not properly belong to SOCOTECO II, such as but not limited to the 69 kV Klinan to Kamanga Line 1 and Line 2 and the 69 kV Klinan to Maasim Line 3, Provided, that if these are subsequently determined to be distribution assets and owned by SOCOTECO II, then the Parties shall agree on how these assets shall be contributed to JVCo;
- 1.6 The following Real Properties:
- a. Apopong Property and the Buildings and other Land Improvements constructed thereon, subject to Annex "B" for the substation and the land required for the said substation;
 - b. J. Catolico Property and the Buildings and other Land Improvements constructed thereon, subject to Annex "B" for the substation and the land required for the said substation;
 - c. Land for the Fishport Substation located in Brgy. Tambler, General Santos City;
 - d. Glan Property;
 - e. All sales offices of SOCOTECO II, listed in Annex "C;"
 - f. Motor vehicles to be identified by IGNITE and SOCOTECO II;
 - g. The rights to the transfer of the ownership of the 20.9 MW (Gross) Bunker Fired Power Plant under the Power Purchase and Transfer Agreement dated 20 March 2013 between SOCOTECO II and Peakpower Soccsargen, Inc. ("PSI");
 - h. The rights to the transfer of the ownership of the 13.9 MW (Gross) Bunker Fired Power Plant under the Power Purchase and Transfer Agreement for the Additional Units dated 6 February 2015 between SOCOTECO II and PSI;
 - i. Such other personal or real properties to be identified by IGNITE and SOCOTECO II;

- 1.7 Old non-functioning and non-operational transformers, meters, motor vehicles, and equipment and supplies shall also be identified by the Parties and shall be excluded from the Distribution Assets, and shall be retained by SOCOTECO II for its disposition.

V. TRANSFER OF TITLES, RECORDS AND TAXES

1. The Distribution Assets of SOCOTECO II except the Excluded Assets under Section IV, shall be contributed by SOCOTECO II to JVCo in a separate implementing deed/s or instrument/s that the parties shall execute for the purpose. All taxes and fees arising from or relating to or necessary for the transfer of the Distribution Assets from SOCOTECO II to JVCo, including VAT, if applicable, shall be borne by SOCOTECO II. SOCOTECO II shall file the required tax return as transferor and obtain the required Certificate Authorizing Registration ("CAR") from the Bureau of Internal Revenue ("BIR") and shall be responsible for securing the new titles over the Distribution Assets in the name of JVCo. In the event that the titles are not issued within sixty (60) days from the relevant agreement, JVCo may take over the process and any costs for the completion of the title transfer shall be for the account of SOCOTECO II.
2. In consideration of the cash advances of JVCo to SOCOTECO II and as part of SOCOTECO II's subscription payment for its subscription for its thirty percent (30%) shareholdings in JVCo under this Agreement, SOCOTECO II shall also turnover to JVCo all customer records, files, contracts and agreements, intellectual properties, trademarks, and licenses listed or disclosed in Annex "A" which SOCOTECO II has used in its distribution business. SOCOTECO II shall also secure any consents required for the turnover of such contracts, agreements, intellectual properties, trademarks, and licenses.

VI. SUBROGATION OF RIGHTS OVER RECEIVABLES AND RECOVERIES

1. In a separate agreement, JVCo agrees to effect the collection, for and on behalf of SOCOTECO II, of the accounts receivables from its customers and may use any means allowed under the Magna Carta of Electricity Consumers, including but not limited to disconnection of electricity services, subject to the approval of the ERC, and filing of collection cases and such other remedies legally permissible, the cost of which shall be accordingly charged to SOCOTECO II and subject further to the payment by SOCOTECO II of the administrative fee, if any, to be agreed by the parties. The collected amount shall be remitted to SOCOTECO II under the terms of the said separate agreement provided that JVCo shall have no liability to SOCOTECO II should any collection undertaken on behalf of SOCOTECO II pursuant to this provision not be successful and provided further that SOCOTECO II shall defend and hold JVCo free and harmless from any claims or liabilities due to such collections undertaken by JVCo on behalf of SOCOTECO II pursuant to this Agreement.
2. JVCo further agrees to effect any recoveries arising from the pending case/s for Under Recoveries of SOCOTECO II before the ERC, subject to the approval of the ERC and such amounts collected shall be held by the JVCo in trust for SOCOTECO II. Should the JVCo be ordered by the ERC to make any refunds due to any over recoveries by SOCOTECO II or for any other reasons attributable to SOCOTECO II, SOCOTECO II hereby undertakes and agrees to pay JVCo for such refunds.

VII. GOVERNANCE AND DIRECTORSHIP

1. The Board of Directors of JVCo shall be composed of ELEVEN (11) directors with at least THREE (3) independent directors, with IGNITE nominating six (6) directors and two (2) of the independent directors and SOCOTECO II nominating two (2) directors and one (1) independent director. Provided that as long as SOCOTECO II maintains at least twenty percent (20%)



shareholding in JVCo, SOCOTECO II shall be entitled to nominate two (2) of the directors and one (1) independent director.

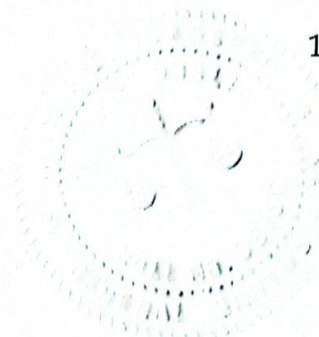
2. In the event that SOCOTECO II's shareholdings in JVCo are diluted to below twenty percent (20%), then SOCOTECO II shall only be entitled to nominate one (1) director and one (1) independent director.
3. In the event that SOCOTECO II's shareholdings in JVCo are diluted to exactly five percent (5.00%), then SOCOTECO II shall only be entitled to nominate one (1) director.
4. "Independent Director" here shall have a meaning as defined under the Revised Corporation Code. The SOCOTECO II Board shall have the sole authority to nominate its representatives to the Board of JVCo. The nominal shares in JVCo required to qualify a director nominated by Party shall be provided by the Parties from their respective shareholdings in JVCo.
5. SOCOTECO II expressly agrees to reorganize as may be necessary in order to ensure that it can be a shareholder in JVCo, but such reorganization, if necessary, shall not be a condition precedent to the effectivity of this JVA or to the fulfilment of the obligations of SOCOTECO II herein.

VIII. APPLICATION OF CASH PAYMENTS

1. SOCOTECO II shall use the cash amounts that it will receive from JVCo for the contribution of its Distribution Assets as its subscription to shares in JVCo under this Agreement for the following items and exclusively in the hierarchy of priorities provided below: (i) full payment and settlement of any Separation or Retirement pay of employees of SOCOTECO II who will cease to be employed by SOCOTECO II (ii) repayment of SOCOTECO II's outstanding loans from NEA, banks and other institutions; (iii) funding the replenishment of restricted

funds to cover for bill and meter deposits of its consumers, as may be necessary; (iv) full payment of any unpaid suppliers and contractors of SOCOTECO II; (v) full settlement and payment of obligations to release any liens and encumbrances over the Distribution Assets, including refund of any Donated Capital from NEA and the updating the payment of Real Property Tax on all real properties forming part of the Distribution Assets, subject to the provision under item 13 below; (vi) other refunds or liabilities of SOCOTECO II that may be ordered or required after the Closing Date. SOCOTECO II shall first fully satisfy the funding for the foregoing obligations before it can utilize the payments from the JVCo for any other purpose. Once the foregoing obligations and projected capital outlay are fully funded, SOCOTECO II may utilize any remaining balance as capital for any future business that SOCOTECO II may decide to pursue, and/or as dividends to members of SOCOTECO II as the SOCOTECO II Board may decide. SOCOTECO II undertakes that all Distribution Assets that it shall contribute to JVCo pursuant to this Agreement shall be free from any liens and encumbrances.

IX. LEGISLATIVE FRANCHISE AND SHARES OF STOCKS

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1. JVCo shall apply for a legislative franchise to operate as a distribution utility for electricity in the Franchise Area. JVCo shall also apply for a Certificate of Public Convenience and Necessity ("CPCN") from the ERC to operate as the distribution utility in the Franchise Area. SOCOTECO II shall give its written consent and cooperate with and extend all necessary and reasonable support for the application of JVCo for a legislative franchise over the Franchise Area and for its CPCN. Once the legislative franchise for JVCo is granted and becomes effective and upon submission by SOCOTECO II of its proof of compliance with the Bulk Sales Law for the transfer of the Distribution Assets, SOCOTECO II shall contribute all of its rights, interest and ownership over the Distribution Assets to

JVCo as its subscription payment for its thirty percent (30%) shareholdings therein.

2. Once the legislative franchise for JVCo is granted and becomes effective and the other relevant conditions in this Agreement have been fulfilled, IGNITE/JVCo shall advance to SOCOTECO II the amount equivalent to seventy percent (70%) of the valuation of the Distribution Assets of SOCOTECO II that will be contributed to JVCo under this Agreement. SOCOTECO II shall use the said proceeds in accordance with Section VIII above and primarily to settle its obligations to its employees and loans with the NEA and other institutions or third parties that may have liens on the Distribution Assets of SOCOTECO II in order to cause the release of such liens and for the payment of any taxes assessed on the contribution by SOCOTECO II, such as, but not limited to capital gains or creditable withholding taxes necessary for the transfer of the titles of the real properties of SOCOTECO II that will be contributed to JVCo under this Agreement, provided that the Parties shall strive to secure the approval of the BIR for the contribution as a Section 40(c)(2) tax free exchange. After payment of these obligations, SOCOTECO II shall thereafter allow the personnel of JVCo to participate in the operations of the distribution system for purposes of complying with the requirements for the issuance of a CPCN by the ERC to JVCo.
3. The release of shares of stocks equivalent to the thirty percent (30%) subscription of SOCOTECO II in JVCo shall occur only once the titles to the Distribution Assets are registered in the name of JVCo, free from any liens and encumbrances and SOCOTECO II has secured the consents or authorizations required for the assignment of contracts and agreements. SOCOTECO II shall achieve such required transfers prior to the Closing Date. IGNITE/ JVCo may waive this requirement at its option.

X. CLOSING DATE



1. For purposes of this Agreement, "Closing Date" shall be the date when JVCo officially takes over the control, possession and operation of the Distribution Assets in the Franchise Area after its legislative franchise shall have become effective and it has obtained the required CPCN from the ERC and the other relevant government approvals for this transaction have been complied with. SOCOTECO II shall deliver to JVCo the original transfer certificates of title, in the name of JVCo, tax declarations and proof of up-to-date payment of all real property taxes covering the Real Properties and other tangible assets forming part of the Distribution Assets and JVCo shall thereafter issue the shares of SOCOTECO II in JVCo. After the Closing Date, there shall be a lock-in period of three (3) years where the Parties shall not be allowed to transfer or assign their shares in JVCo. Furthermore, the Parties shall have a perpetual right of first refusal on any transfer by a Party of its shares in JVCo. The Parties shall also comply with whatever restrictions on transfer of shares or change in control that Congress may impose in the franchise.

XI. PENDING CASES

1. All cases or issues pending in courts or with the concerned local government units where SOCOTECO II is a party thereto shall continue to be handled and assumed by SOCOTECO II and the results shall be its sole responsibility. The parties shall mutually cooperate and assist each other in resolving any such cases or issues with the local government units, Provided, that such assistance by IGNITE/JVCo shall not be construed as an acceptance of any liability or responsibility for such cases or issues, which liability or responsibility shall remain solely with SOCOTECO II.
2. Cases pending before the ERC and appellate Courts shall be the sole responsibility of SOCOTECO II, unless the same involve an existing power supply contract and which affects the operations



of JVCo, the same shall be accordingly evaluated by the parties for its proper disposition.

XII. OPERATIONS PRIOR TO CLOSING DATE

1. SOCOTECO II shall continue to operate as the distribution utility in the Franchise Area from the execution of this Agreement up to the Closing Date with the sole right and authority to collect payments from its customers for services rendered and for all liabilities incurred up to the Closing Date. SOCOTECO II shall be responsible for all costs relating to such services up to the Closing Date. SOCOTECO II shall have the right to collect any under recoveries and shall be liable solely for any over recoveries for services rendered up to the Closing Date. From the execution hereof up to the Closing Date, (i) SOCOTECO II shall inform and seek the prior express consent of IGNITE and/or JVCo on any major expenditures and contracts insofar as such may affect the valuation of the Distribution Assets of SOCOTECO II, and (ii) the approval of IGNITE and/or JVCo shall be required for the execution, amendment or renewal of any agreement that will be assigned to or assumed by JVCo under Section V above. For purposes of this Agreement, a major expenditure shall be: (x) those with a total value of Pesos: Ten Million (Php10,000,000.00) or higher, or (y) an expenditure of any amount that is not covered by the annual budget or is not part of the ordinary day-to-day operations of SOCOTECO II. SOCOTECO II shall continue to be responsible for all outstanding obligations, issues and complaints pertaining to services or events prior to the Closing Date except as otherwise expressly assumed by JVCo. The Parties, however, may employ any means possible to enhance the services of SOCOTECO II and/or minimize its financial losses, pending the Closing Date, subject to applicable legal or regulatory requirements.

XIII. OPERATIONS AFTER CLOSING DATE, CAPEX AND ELECTRIFICATION COMMITMENTS

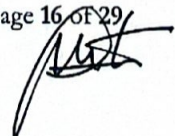


1. On the Closing Date, SOCOTECO II shall thereby cease to act as the electric distribution utility for the Franchise Area, and JVCo shall already take over as the distribution utility. SOCOTECO II shall remain as a cooperative or corporate entity that will own and administer its shareholdings in JVCo, its remaining assets listed in Section V, distribute any dividends received from JVCo to its member-consumers, in accordance with applicable laws and manage and service any remaining liabilities. SOCOTECO II shall have the option to perform the operations and maintenance ("O&M") as a service contractor for the required maintenance works on the distribution system of JVCo, subject to the procurement policies of JVCo and provided that such transactions shall be on an arms-length basis, performance based, cost competitive and are compliant with applicable laws, rules and regulations.
2. SOCOTECO II shall be responsible for and shall ensure the payment of any and all retirement or separation pay that may be due to its employees who will cease working for JVCo due to the cessation of business of SOCOTECO II as a distribution utility, including those employees who will transfer to and be accepted to work for JVCo.
3. JVCo shall, as far as practicable and subject to the required qualifications, give preference to hiring the qualified employees of SOCOTECO II who will resign or retire from, or cease working for SOCOTECO II due to this Agreement. Furthermore, JVCo shall support the continued development of former SOCOTECO II employees absorbed by JVCo through structured training, skills-upgrading, and capability-transfer programs, with priority likewise given to the development and hiring of qualified local talent.
4. SOCOTECO II shall ensure that the bill and meter deposits of its consumers are preserved and fully funded. SOCOTECO II shall treat such bill and meter deposits in accordance with ERC rules,



orders and instructions of the ERC. The Parties shall cooperate to secure the approval of the ERC for SOCOTECO II to turn over these bill and meter deposits to JVCo for crediting to the corresponding customers as their bill deposits with JVCo after Closing Date.

5. IGNITE hereby commits and undertakes to contribute the required funding for and to implement the CAPEX Catch-up Plan of SOCOTECO II subject to the conditions herein. A copy of this CAPEX Catch-up Plan, duly approved by the NEA is attached hereto as Annex "D" and made an integral part hereof. IGNITE hereby undertakes to cause JVCo to begin the implementation of the CAPEX Catch-up Plan even without any prior regulatory approval once JVCo is legally authorized to start operations. IGNITE shall have the absolute right to review, change, modify or optimize the CAPEX Catch-up Plan or any portion thereof for purposes of reducing costs or optimizing or aligning CAPEX projects provided that the goals of the CAPEX Catch-up Plan of reducing systems' losses, improving system reliability and stability and increasing distribution capacity are still achieved.
6. Notwithstanding the implementation of the CAPEX Catch-up Plan, IGNITE shall not commence any application for any increase in its Distribution, Supply, and Metering ("DSM") Rate and the Reinvestment Fund for Sustainable Capital Expenditures ("RFSC") Rate within the first two (2) years from commencement of operations.
7. IGNITE hereby commits and undertakes to fund and implement the Sitio Electrification Program and any needed projects for the full electrification of the Franchise Area in accordance with the stated goals of the Department of Energy and NEA for total electrification. Should any legislation or regulation be passed that would allow SOCOTECO II to receive grants or subsidies for electrification programs in the Franchise Area after the



Closing Date, SOCOTECO II shall utilize such grants or subsidies for the implementation of the electrification programs through JVCo.

XIV. LOCK IN PROVISION

1. Upon signing of this Agreement, SOCOTECO II shall deal exclusively with IGNITE with respect to any transaction involving any or all of technical support, management, investment or joint venture with or any other form of private sector participation in SOCOTECO II or in its power distribution business and operations in the Franchise Area.

XV. DUE DILIGENCE OF THE PARTIES

1. SOCOTECO II shall allow IGNITE and its duly authorized representatives to continue the conduct a due diligence, at their cost, on SOCOTECO II, its business, operations, assets, contracts, membership, management and shall cooperate in the request for documents or information in the course of such due diligence. IGNITE shall keep such documents or information obtained from SOCOTECO II in the course of this due diligence as confidential.
2. PHI/IGNITE shall allow SOCOTECO II to do a due diligence on PHI, NEPC, BLCI and MORE Power and shall provide any information that SOCOTECO II will request on the matter pertaining to the financial capacity, technical competence and track record of PHI, NEPC, BLCI and MORE Power and the affiliate companies than can be used to perform its obligation under this Agreement and subsequent agreements. SOCOTECO II shall keep any documents or information obtained from PHI, NEPC BLCI and MORE Power in the course of this due diligence as absolutely confidential.

XVI. EXECUTED CONTRACTS

1. The Parties agree that JVCo shall only utilize the approved power supply agreements of SOCOTECO II which it deems to be advantageous to consumers, subject to applicable laws, rules and orders, Provided that this shall not result in any liability to SOCOTECO II or its directors, officers, or employees. The parties recognize that one of the primary goals of this JVA is to lower the generation cost for consumers in the Franchise Area. To this end, once the JVA has been approved by the member consumers of SOCOTECO II, SOCOTECO II and IGNITE shall jointly renegotiate with the power suppliers of SOCOTECO II for a reduction in the electricity fees for the remaining terms of their respective power supply contracts that will then be utilized by JVCo after the Closing Date, subject to applicable laws, rules and orders.
2. Non-power supply contracts entered into by SOCOTECO II prior to the Closing Date shall be evaluated by JVCo to determine which contracts or agreements may be necessary for the operations of and accepted by JVCo. The final agreed list of such non-power supply contracts that shall be assigned to and accepted by JVCo shall be included in the appropriate assignment and turn-over agreement to be executed by the Parties. IGNITE/JVCo shall hold free and harmless SOCOTECO II, its Board of Directors, Officers and employees against liabilities that may arise after the Closing Date in connection with the any contracts of SOCOTECO II which IGNITE/JVCo have expressly agreed to honor.
3. Except for the preceding paragraphs, JVCo shall not assume nor be responsible for any other outstanding contracts of SOCOTECO II. The Parties specifically and expressly agree that JVCo will not assume responsibility for such contracts. The Parties agree that JVCo will not be a successor in interest of SOCOTECO II and that JVCo shall not assume any liabilities of SOCOTECO II unless otherwise specified in the appropriate assignment and turn-over agreement.

XVII. SUBSCRIPTION AGREEMENT AND SHAREHOLDERS AGREEMENT

1. The Parties shall prepare the mutually acceptable Subscription Agreement and Shareholders Agreement to document the investment in, operation and governance of JVCo. The Parties shall prepare a mutually acceptable and definitive Assignment and Turn-Over Agreement which shall include an inventory of the Distribution Assets that shall be transferred by SOCOTECO II to JVCo to implement this JVA for a smooth turnover of the distribution system operations. SOCOTECO II shall execute the necessary deeds or transfer documents to effect the contribution of specific assets to JVCo as its subscription payment. SOCOTECO II, JVCo and the relevant third party shall also execute the necessary deeds or transfer documents to effect the assignment of contracts agreed to be taken over by JVCo under Section XVI (2) above. The Board of Directors of SOCOTECO II shall be authorized to negotiate and execute all the necessary implementing agreements for the JVA once this JVA has been approved by the member consumers of SOCOTECO II, provided that the terms and conditions of such implementing agreements shall be consistent with and shall not be contrary to this Agreement.

XVIII. OBLIGATIONS OF THE PARTIES DURING TRANSITION

1. The Parties shall cooperate for a smooth transition of the operation of the distribution system from SOCOTECO II to JVCo after the Closing Date and to ensure that there shall be no disruption of services in the Franchise Area during such transition

XIX. BINDING EFFECT OF THE JVA

1. This JVA shall be valid and binding between the parties, their successors-in-interest and assigns.
2. IGNITE may assign its rights, interest and obligations under this Agreement to its subsidiary or affiliate by mere notice to SOCOTECO II.

XX. REPRESENTATIONS AND WARRANTIES

1. The Parties also hereby represent and warrant to each other that they have secured the proper approvals from respective Boards of Directors to enter and execute this Agreement. In addition, SOCOTECO II shall secure the approval of its members as the highest governing body of the electric cooperative, and the NEA. For this purpose, IGNITE/JVCo shall assume all the reasonable and approved costs and expenses relating to the conduct of any procedures that NEA or the Board of Directors of SOCOTECO II, or both, may prescribe to obtain the required assent of the member consumers as required by law, provided that such costs and expenses were incurred with prior clearance with IGNITE/JVCo.
2. The Parties further warrant that they have the legal capability and the legal capacity to perform all acts contemplated in this Agreement. Should a party not have any such needed capability or capacity, such party shall perform all necessary acts to cure

such defect in its capability or capacity but such defect shall not affect the validity of this Agreement.

3. SOCOTECO II represents and warrants that, in relation to the Distribution Assets that it will contribute to JVCo:

- 3.1 All the Distribution Assets (including all intangible assets) owned, held or used by SOCOTECO II are either: (1) legally and/or beneficially owned by it or (2) are held under valid lease contracts or such other contract conferring legal right in favor of SOCOTECO II and in either case free from any lien or encumbrance, other than as disclosed, and are in SOCOTECO II's possession or under its exclusive control.
- 3.2 There are no due and payable, and unpaid property taxes due on any Distribution Assets owned by SOCOTECO II, or on property held or used by SOCOTECO II where SOCOTECO II is contractually required to pay the real property taxes due, nor has it received any notice from any Governmental Authority adversely affecting any of the Distribution Assets owned or otherwise used by it, which could reasonably be expected to result in a material adverse effect.
- 3.3 The Distribution Assets are in good operating condition and repair consistent with normal industry standards and are adequate for the uses to which they are being put in the ordinary course of business.
- 3.4 SOCOTECO II owns, or has the right to possess and/or use under an existing contract, all Distribution Assets necessary for the continuation or the conduct of its business and are reflected in the Financial Statements.

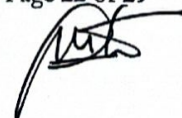
4. All documents, materials and information provided or otherwise made available by SOCOTECO II to IGNITE pursuant to or in connection with the due diligence on SOCOTECO II and its Distribution Assets are true and accurate in all material respects as of the date such documents, materials and information are dated or certified and are not incomplete by omitting to state any fact necessary to make such documents, materials and information not misleading in any material respect at such time in light of the circumstances under which such documents, materials and information were provided; provided that to the extent that any information was based upon or constitutes a forecast, projection, estimate or opinion, SOCOTECO II represents that it acted in good faith and utilized due care and careful consideration in the preparation of such information

XXI. COST AND RELATED EXPENSES

1. The Parties shall be responsible for their respective costs necessary for the implementation and execution of this JVA and the subsequent Subscription and Shareholders' Agreement, and the Assignment and Turn-Over Agreement, provided that any costs related to activities undertaken by SOCOTECO II to secure the required approval of its member consumers for this JVA shall be reimbursed by IGNITE/JVCo subject to Section XX.

XXII. APPROVAL BY THE MAJORITY OF THE ELIGIBLE MEMBER CONSUMERS

1. This Agreement shall be submitted by SOCOTECO II to its members consumers for their approval in accordance with the requirements under Section 36 (b) of PD269 as directed by the NEA in accordance with the Guidelines to be promulgated by the NEA and the Board of Directors of SOCOTECO II. Upon securing the required approval from its members, SOCOTECO II shall submit this Agreement for concurrence by the NEA. In accordance with NEA requirements, SOCOTECO II shall undertake a massive information and education campaign and



consultations on the JVA with its member/consumers, in close coordination with IGNITE, the cost of which shall be paid for by the latter in accordance with Section XXI hereof. IGNITE expressly acknowledges and agrees that this JVA shall be subject to any further conditions that may be imposed by the NEA.

XXIII. COURT ACTION AND SEPARABILITY CLAUSE

1. In the event that this JVA or any provision hereof is questioned before any competent court or regulatory authority, the Parties shall cooperate and extend any necessary assistance to each other in defending and upholding the validity of this Agreement. In the event that any provision of this JVA is declared as invalid by final judgement, all other provisions that thereby remain unaffected shall remain in full force and effect.
2. In case one of the Parties is compelled to seek judicial relief against the other, the parties agree that the venue of all actions arising from the implementation and/or interpretation of the provisions of this Agreement shall be exclusively vested in the proper courts of General Santos City, to the exclusion of all other courts or agencies.

XXIV. CONFIDENTIALITY AND EXCEPTION

1. The Parties shall keep this Agreement confidential. This JVA and the subsequent implementing agreements shall be disclosed by the parties only for purposes of the required information and education campaign and for consultations with the bona fide stakeholders of SOCOTECO II and as may be required by NEA, other regulators, Congress, the courts or other government agencies with jurisdiction to compel disclosure. The Parties shall coordinate with each other when mandatory disclosures are required.

[signature page follows]


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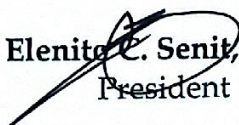
IN WITNESS WHEREOF, the Parties have hereunto set their hand at the place and date first above written.

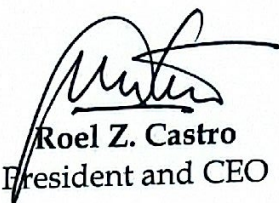
**SOUTH COTABATO II
ELECTRIC COOPERATIVE, INC.**

**IGNITE POWER
AND ENERGY HOLDINGS
INC.**

By:

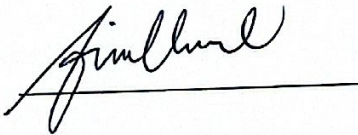
By:


Elenita C. Senit, MPA
President


Roel Z. Castro
President and CEO

Signed in the Presence of:







ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
GENERAL SANTOS CITY) S.S.

BEFORE ME, a Notary Public for and in General Santos City
day of 23 JUL 2026, 2026, personally appeared the following with
their Philippine Passports to wit:

NAME	Passport No.	Date & Place Issued
South Cotabato II Electric Cooperative, Inc. Represented by: <u>Elenio Serna</u>	URO DL 410- 101-91-0506610 Exp on: 02/3/27	iss. on: 01/21/2022 Place issued: Abul Sanangani
Ignite Power and Energy Holdings Inc. Represented by: Roel Z. Castro	URO DL 410- 101-90-014889 Exp on: 02/4/01	iss. on: 03/12/2022 Place issued: Iloilo

KNOWN TO ME to be the same persons who executed the foregoing agreement and they acknowledged to me that the same is their own act and deed, as well as that of the cooperative and/or corporations represented herein. This document consists of [four nine] (99) pages, including this page and the annexes, signed by the parties and their instrumental witnesses on the signature page and on each of the other pages.

WITNESS MY HAND AND SEAL on date and place above stated.

Doc. No. 31;
Page No. 7;
Book No. LSAL;
Series of 2026.

PETER N. ESCOTO
Notary Public for and in General Santos City, Phils.
Until December 31, 2026 - S.N. No./P.N.C. No. 24-304 - 10/21/2024
PTR No. GS1991180A; 12-03-2025 (for year 2026), GSC
MCLJE VIII No. 0009323 dated 06.06.2024 until 04.14.2028
Roll of Attorneys No. 53156-2007
IBP Life Member Roll No. 014610; 03/17/2016
Maravilla Bldg., C.M. Recto - Lanzones St., Brgy. Dad North, GSC
Contact No.: (083) 305 9735 - 0917 771 4465 - 0998 853 4251

Annex "A"

The customer records, files, intellectual properties, trademarks, and licenses and non-power supply contracts and agreements entered into by SOCOTECO II prior to the Closing Date which shall be assigned and transferred by SOCOTECO II to IGNITE/JVCo Power shall be finalized in the Assignment and Turn-Over Agreement under Item XVII of the Joint Venture Agreement.

Annex "B"

**Apopong Property and J. Catolico Property less the area covered by the
Substations Constructed Thereon**

The substations and the land area covered by the said substations constructed on the Apopong and J. Catolico Properties are included in and part of the Distribution Assets, and shall be determined by the Parties pursuant to an agreed survey and subdivision plan. The value of the excluded area is to be based on the corrected 16 December 2025 Appraisal Report submitted by Cuervo Appraisers, Inc., countersigned by both Parties.


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Annex "C"

**Excluded Properties
(Sales Offices)**

1. Tupi Sales Office
2. Kiamba Sales Office
3. Calumpang Sales Office
4. Glan Sales Office
5. Polomolok Sales Office
6. Alabel Sales Office
7. Malungon Sales Office
8. Malungon Sales Office (Malandag)
9. Malapatan Sales Office
10. Maasim Sales Office
11. Maitum Sales Office

Execution Copy

Annex "D"

CAPEX Catch-up Plan

A handwritten signature, possibly reading "P. Smith", written in black ink.A handwritten signature, possibly reading "P. Smith", written in black ink.
Page 29 of 29

No.			Type of Asset	Project Title	Proposed Project Financing	2025	2026	2027	2028	2029	2030	Total Project Cost
	CAPEX APPLICATION	FUNDING CATEGORY										
	ADDITIONAL	LOANS	SUBTRANSMISSION LINE DEVELOPMENT	Network	Ligaya-Glan Double Circuit Line	2025	584,280,000.00				2030	584,280,000.00
	ADDITIONAL	LOANS	SUBTRANSMISSION LINE DEVELOPMENT	Network	Kamanga-Maitum Double Circuit Line			610,200,000.00				610,200,000.00
	ADDITIONAL	LOANS	SUBTRANSMISSION LINE DEVELOPMENT	Network	Double Circuit Line MSU SWS (line 1 and 2)		51,500,000.00					51,500,000.00
	ADDITIONAL	LOANS	SUBTRANSMISSION LINE DEVELOPMENT	Network	Double Circuit Line MSU S5 to AIRPORT SWS		216,300,000.00					216,300,000.00
	ADDITIONAL	LOANS	SUBTRANSMISSION LINE DEVELOPMENT	Network	Polomolok 1 - Polomolok 2 Circuit Line			21,600,000.00				21,600,000.00
	ADDITIONAL	LOANS	SUBTRANSMISSION LINE DEVELOPMENT	Network	Line 4 Double Circuit (additional circuit of Siguel Line 3)			540,000,000.00				540,000,000.00
	CAPEX 2015-2023	LOANS	SUBTRANSMISSION LINE DEVELOPMENT	Network	Upgrading to Double Circuit and Rerouting of the 69kV NGCP-Ligaya Subtransmission Line		254,734,422.00					254,734,422.00
	CAPEX 2015-2023	LOANS	SUBSTATION PROJECTS	Network	Construction of New 20 MVA Glamang Substation		181,174,652.00					181,174,652.00
	CAPEX 2015-2023	LOANS	SUBSTATION PROJECTS	Network	Upgrading of Pentagon Substation from 35MVA to 55MVA	51,068,100.00						51,068,100.00
	CAPEX 2015-2023	LOANS	SUBSTATION PROJECTS	Network	Procurement of Substation Lot in Maitum, Maasin, Tupi, Alabel, Malapatan and Malungon			30,000,000.00				30,000,000.00
	CAPEX 2015-2023	RFSC	SUBSTATION PROJECTS	Network	Rehabilitation of Substation Control Room			51,300,000.00	51,300,000.00			102,600,000.00
	CAPEX 2015-2023	LOANS	SUBSTATION PROJECTS	Network	Procurement of Spare Equipment for Switchyard and Substations			10,485,000.00				10,485,000.00
	CAPEX 2015-2023	LOANS	SUBSTATION PROJECTS	Network	Construction of New 10MVA Substation in Brgy. Small Margus, Glan, Sarangani and 40km of 69kV Subtransmission Line			376,745,007.00				376,745,007.00
	CAPEX 2024-2026	LOANS	SUBSTATION PROJECTS	Network	Construction of 10MVA Maitum Substation				354,872,630.95			354,872,630.95
	CAPEX 2024-2026	RFSC	SUBSTATION PROJECTS	Network	Upgrading of Ligaya substation from 10MVA to 20MVA by installing a new 20MVA power transformer			67,317,000.00				67,317,000.00
	CAPEX 2024-2026	LOANS	SUBSTATION PROJECTS	Network	Purchase of 1-35MVA Mobile Substation					135,000,000.00		135,000,000.00
	ADDITIONAL		SUBSTATION PROJECTS	Network	Tupi-Polomolok Substation							
	ADDITIONAL	RFSC	SUBSTATION PROJECTS	Network	Lot A						27,030,000.00	27,030,000.00
	ADDITIONAL	RFSC	SUBSTATION PROJECTS	Network	Lot B						20,878,400.00	20,878,400.00

[Signature]

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ADDITIONAL	RFSC	SUBSTATION PROJECTS	Network	Lot C						25,178,800.00	25,178,800.00
ADDITIONAL	RFSC	SUBSTATION PROJECTS	Network	Lot D						6,080,000.00	6,080,000.00
ADDITIONAL	RFSC	SUBSTATION PROJECTS	Network	Land Acquisition (2000 sqm)						6,168,000.00	6,168,000.00
ADDITIONAL		SUBSTATION PROJECTS	Network	MSU Substation							
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot A				27,030,000.00		27,030,000.00	
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot B				20,878,400.00		20,878,400.00	
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot C				25,178,800.00		25,178,800.00	
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot D				6,080,000.00		6,080,000.00	
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Land Acquisition (2000 sqm)				8,800,000.00		8,800,000.00	
ADDITIONAL		SUBSTATION PROJECTS	Network	Maasin-Kamba Substation							
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot A						27,030,000.00	27,030,000.00
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot B						20,878,400.00	20,878,400.00
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot C						25,178,800.00	25,178,800.00
ADDITIONAL	LOANS	SUBSTATION PROJECTS	Network	Lot D						6,080,000.00	6,080,000.00
ADDITIONAL	RFSC	SUBSTATION PROJECTS	Network	Land Acquisition (2000 sqm)						2,700,000.00	2,700,000.00
CAPEX 2015-2023	RFSC	SUBSTATION PROJECTS	Network	Procurement of 15kV Circuit Breakers					19,496,479.00		19,496,479.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Calumpang			40,470,000.00			40,470,000.00	40,470,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	New Society			32,850,000.00			32,850,000.00	32,850,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Fishport			34,050,000.00			34,050,000.00	34,050,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Damalerio		32,850,000.00				32,850,000.00	32,850,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Leon Lido		32,850,000.00				32,850,000.00	32,850,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Pentagon		32,850,000.00				32,850,000.00	32,850,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Ligaya						34,050,000.00	34,050,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Polomolok			34,050,000.00			34,050,000.00	34,050,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Tupi				34,050,000.00		34,050,000.00	34,050,000.00
ADDITIONAL	LOANS	SWITCHING STATION PROJECTS	Network	Switchyards(Giamang,Airport,Main Office,New Society)			860,413,283.52			860,413,283.52	860,413,283.52
CAPEX 2015-2023	LOANS	METERS AND METERING FACILITY	Network	Installation of 69kV Differential Meters		26,172,000.00					26,172,000.00
CAPEX 2015-2023	LOANS	METERS AND METERING FACILITY	Network	Installation of Substation and Feeder Meters and its accessories			11,880,000.00				11,880,000.00
CAPEX 2015-2023	LOANS	METERS AND METERING FACILITY	Network	Replacement of Defective Metering Facilities for Large Load Customers					13,354,088.00		13,354,088.00
CAPEX 2024-2026	RFSC	METERS AND METERING FACILITY	Network	Installation of Anti-theft Metering Facilities			13,000,000.00				13,000,000.00
CAPEX 2024-2026	LOANS	METERS AND METERING FACILITY	Network	Replacement of Defective Metering Facilities for Large Load Customers							

35,878,300.35 35,878,300.35 35,878,300.35

107,634,901.04

ADDITIONAL	LOANS	METERS AND METERING FACILITY	Network	N-1 Feeder Metering Program: 68 + 20 Future Feeders & 16 + 5 Future 69-kV Meter Installations						125,849,229.60	125,849,229.60
ADDITIONAL	LOANS	METERS AND METERING FACILITY	Network	N-1 HVI and HVC Metering and AMI Integration (291 Consumers)						334,163,898.00	334,163,898.00
ADDITIONAL	RISC	METERS AND METERING FACILITY	Network	Metering Installation for 69kV Tie-Line						25,752,556.80	25,752,556.80
CAPEX 2015-2023	LOANS	SCADA	Network	Installation of Supervisory Control and Data Acquisition (SCADA) Facilities	53,711,111.33	53,711,111.33	53,711,111.33				161,133,334.00
CAPEX 2015-2023	RISC	DISTRIBUTION LINE DEVELOPMENT	Network	Construction of 20km Three-Phase Primary Line in BATODO Corridor (Brgy. Baluntay-Tokwal-Domolok) Alabel, Sarangani Province		25,673,347.00					25,673,347.00
CAPEX 2015-2023	RISC	DISTRIBUTION LINE DEVELOPMENT	Network	Upgrading of Tupi Substation Feeder Line Conductor From #2/D ACSR to 336MCM ACSR				21,588,274.00			21,588,274.00
CAPEX 2024-2026	LOANS	DISTRIBUTION LINE DEVELOPMENT	Network	Relocation of Distribution Line due to Right-of-Way Concerns		3,814,262.51	22,402,086.08				26,216,348.59
CAPEX 2024-2026	RISC	DISTRIBUTION LINE DEVELOPMENT	Network	Upgrading of Distribution Line Conductor and Phase		84,924,460.42	50,438,921.49	32,823,832.51			168,187,214.42
CAPEX 2024-2026	LOANS	DISTRIBUTION LINE DEVELOPMENT	Network	Construction of primary and secondary voltage lines for new connections (including RF Projects for BOD)		43,568,194.99	68,685,034.00	32,840,974.29			145,094,203.28
CAPEX 2024-2026	RISC	DISTRIBUTION LINE DEVELOPMENT	Network	Provision of Standard Connection Facility for New Customers		49,120,200.00	36,380,790.00	34,684,290.00			120,185,280.00
CAPEX 2024-2026	RISC	DISTRIBUTION LINE DEVELOPMENT	Network	Replacement of Existing Conductors with Insulated Tree Wire Conductors		13,074,848.15	1,235,000.00	37,631,216.65			51,941,064.80
ADDITIONAL	LOANS	DISTRIBUTION LINE DEVELOPMENT	Network	Upgrading of Lines with Recloser	323,343,394.79	323,343,394.79	323,343,394.79	287,940,012.66			1,257,970,197.03
ADDITIONAL	RISC	DISTRIBUTION LINE DEVELOPMENT	Network	Upgrading of Lines with Recloser	358,746,776.92						358,746,776.92
ADDITIONAL	LOANS	DISTRIBUTION LINE DEVELOPMENT	Network	Recloser for Tie Line	25,500,000.00						25,500,000.00
ADDITIONAL	LOANS	DISTRIBUTION LINE DEVELOPMENT	Network	Recloser for Mid Feeder	39,000,000.00						39,000,000.00
ADDITIONAL	LOANS	DISTRIBUTION LINE DEVELOPMENT	Network	Recloser for Lateral	8,317,500.00						8,317,500.00
ADDITIONAL	LOANS	DISTRIBUTION LINE DEVELOPMENT	Network	Line Rehab	129,421,780.00	133,321,780.00	131,291,780.00	142,561,780.00	131,261,780.00		667,858,900.00
CAPEX 2015-2023	RISC	TRANSFORMERS & VOLTAGE REG	Network	Installation of Automatic Voltage Regulator (AVR)				11,768,766.00			11,768,766.00
ADDITIONAL	LOANS	TRANSFORMERS & VOLTAGE REG	Network	Amorphous DT for DT Management	96,311,000.00	96,311,000.00	96,311,000.00	96,311,000.00	96,311,000.00		481,555,000.00
CAPEX 2024-2026	LOANS	SPARE	Network	Buffer Stock				50,167,707.00			50,167,707.00
CAPEX 2015-2023	LOANS	VEHICLES	Non-New	Procurement of Vehicle PART I	111,460,000.00						111,460,000.00
CAPEX 2015-2023	LOANS	VEHICLES	Non-New	Procurement of Vehicle PART II and Part III			37,317,000.00	3,530,000.00			40,847,000.00

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CAPEX 2015-2023	LOANS BUILDINGS	Non-Net	Linearm's Training Center					19,068,747.92	19,068,747.92
CAPEX 2015-2023	LOANS BUILDINGS	Non-Net	Fuel Depot					3,200,000.00	3,200,000.00
CAPEX 2015-2023	LOANS BUILDINGS	Non-Net	Installation of Radio Station (Multi-purpose tower)					10,000,000.00	10,000,000.00
CAPEX 2024-2026	LOANS BUILDINGS	Non-Net	Construction of New Building for Satellite Offices			34,789,325.70		55,265,529.44	90,054,855.14
CAPEX 2024-2026	LOANS BUILDINGS	Non-Net	Site Development of SOCOTECO II Headquarters Part II				76,604,077.15	56,463,695.06	133,067,772.21
CAPEX 2015-2023	RFSC SOFTWARES	Non-Net	Survey and Updating of SOCOTECO II's Geographical Information System				14,531,232.42		14,531,232.42
CAPEX 2015-2023	LOANS SOFTWARES	Non-Net	Acquisition of Distribution System Analysis Software			2,500,000.00			2,500,000.00
CAPEX 2015-2023	LOANS SOFTWARES	Non-Net	Warehouse Paging System				2,000,000.00		2,000,000.00
CAPEX 2015-2023	LOANS SOFTWARES	Non-Net	Automated Queuing System				500,000.00		500,000.00
CAPEX 2015-2023	LOANS SOFTWARES	Non-Net	Enhancement of the Communication System						-
CAPEX 2015-2023	LOANS SOFTWARES	Non-Net	Enhancement of the PABX System				803,670.00		803,670.00
CAPEX 2015-2023	LOANS SOFTWARES	Non-Net	Procurement of Radio Communication				914,580.00		914,580.00

TOTAL

51,068,100.00

2,845,454,289.05

2,886,277,563.78

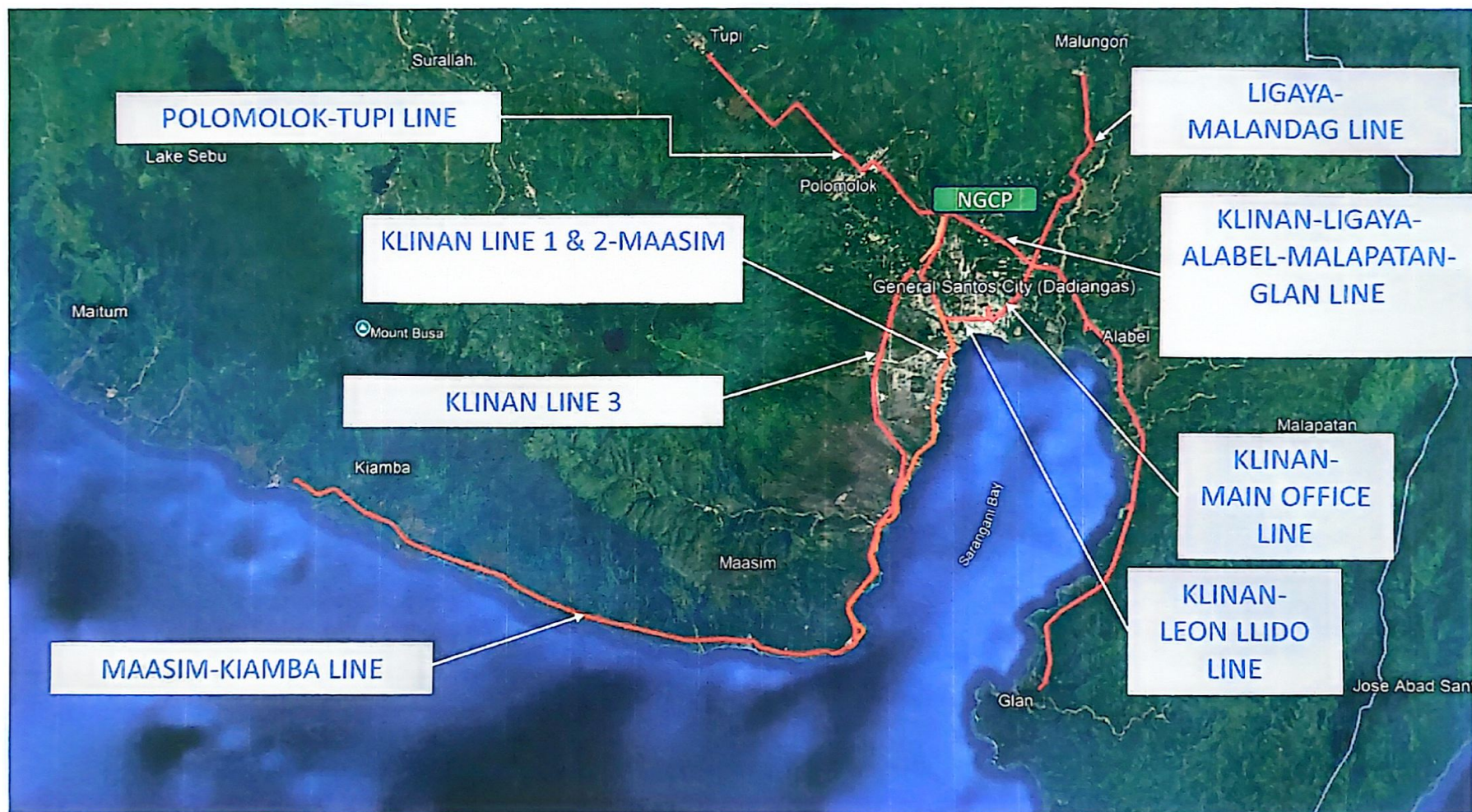
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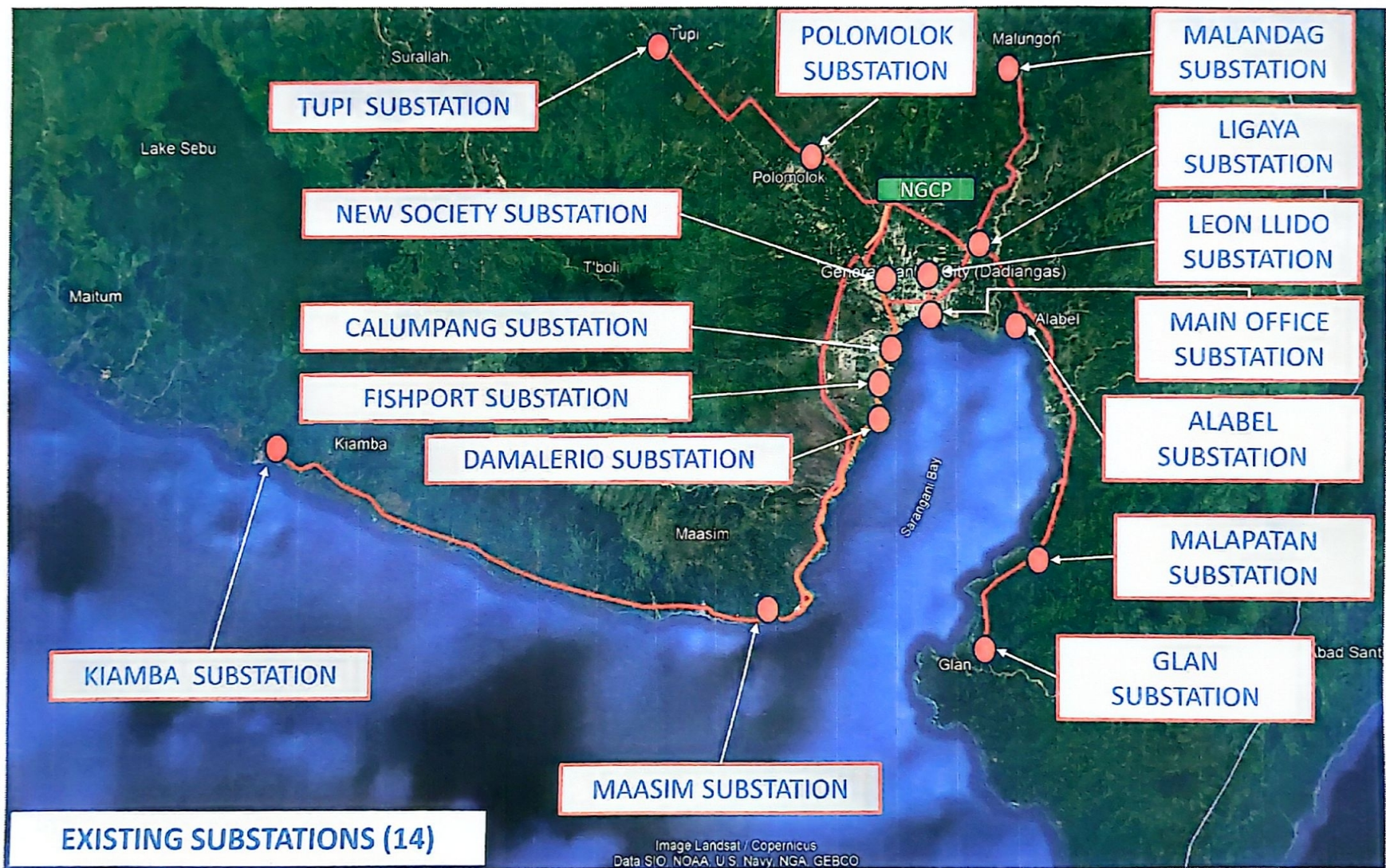
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SOCOTECO II
ACCELERATED CAPEX PLAN
FOR RESILIENCY AND OPERATIONAL EFFICIENCY
2026-2030



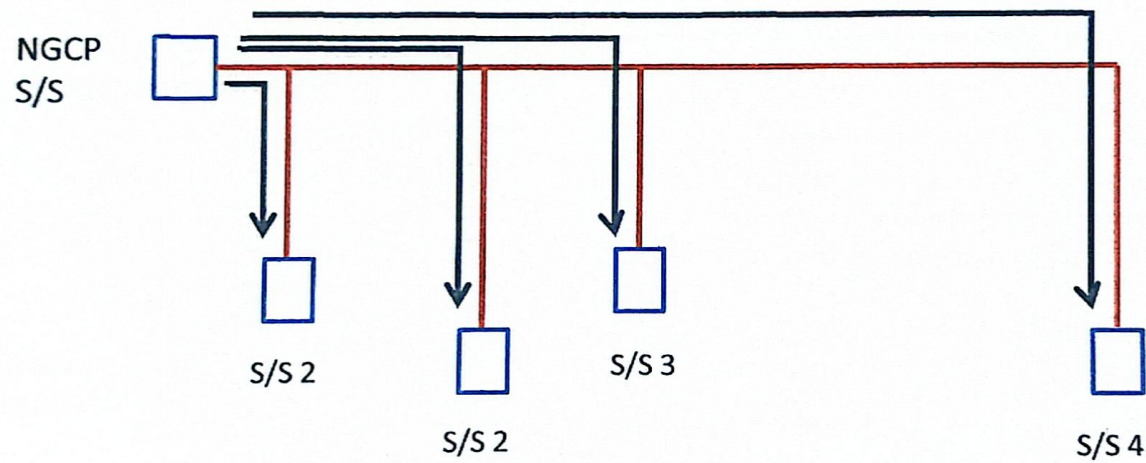
EXISTING SUBTRANSMISSION LINES: RADIAL AND TRAVERSING MOUNTAINOUS AREAS
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[Handwritten signatures]



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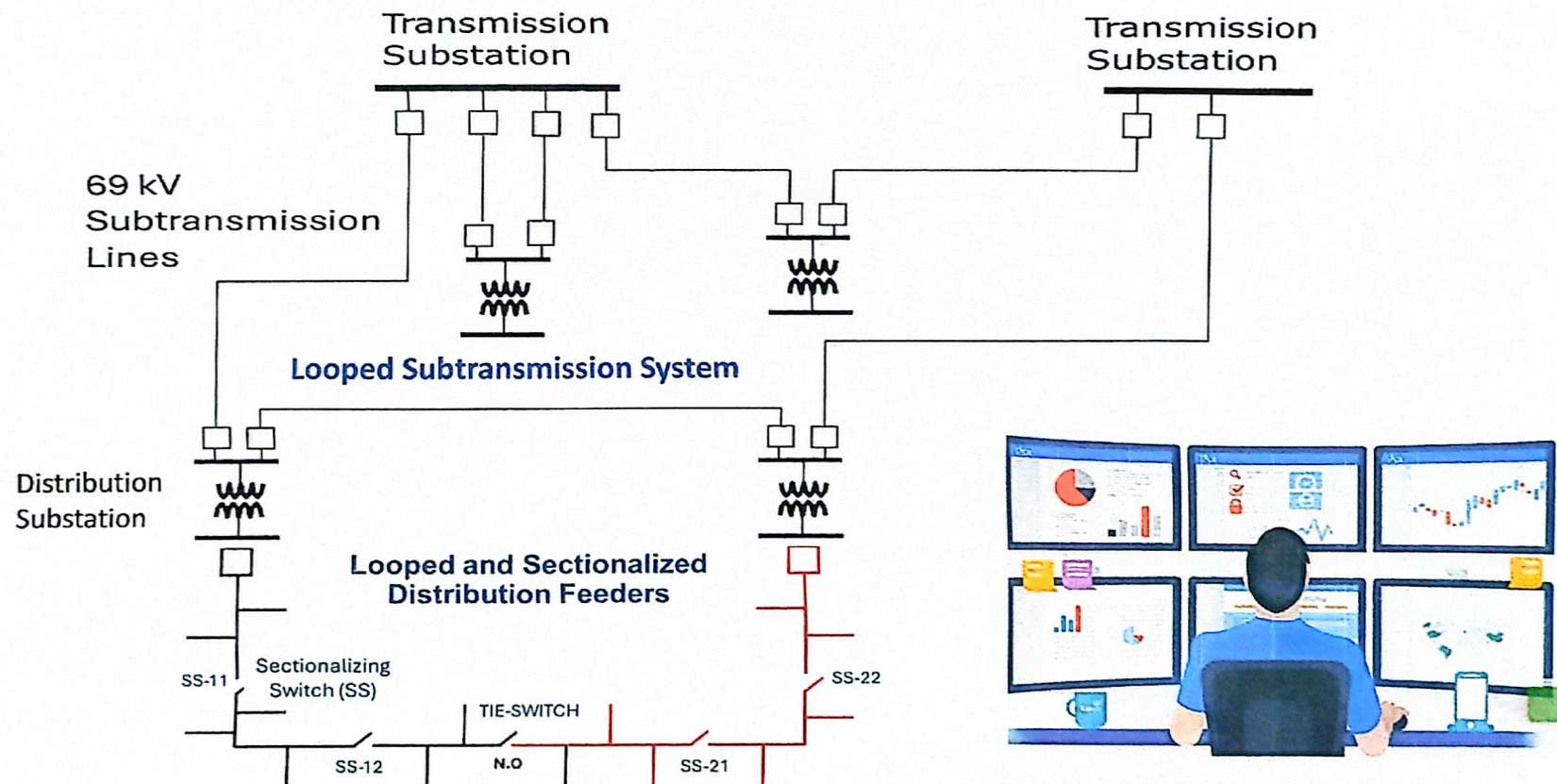
WHAT DOES THE SYSTEM MAP REPRESENTS?



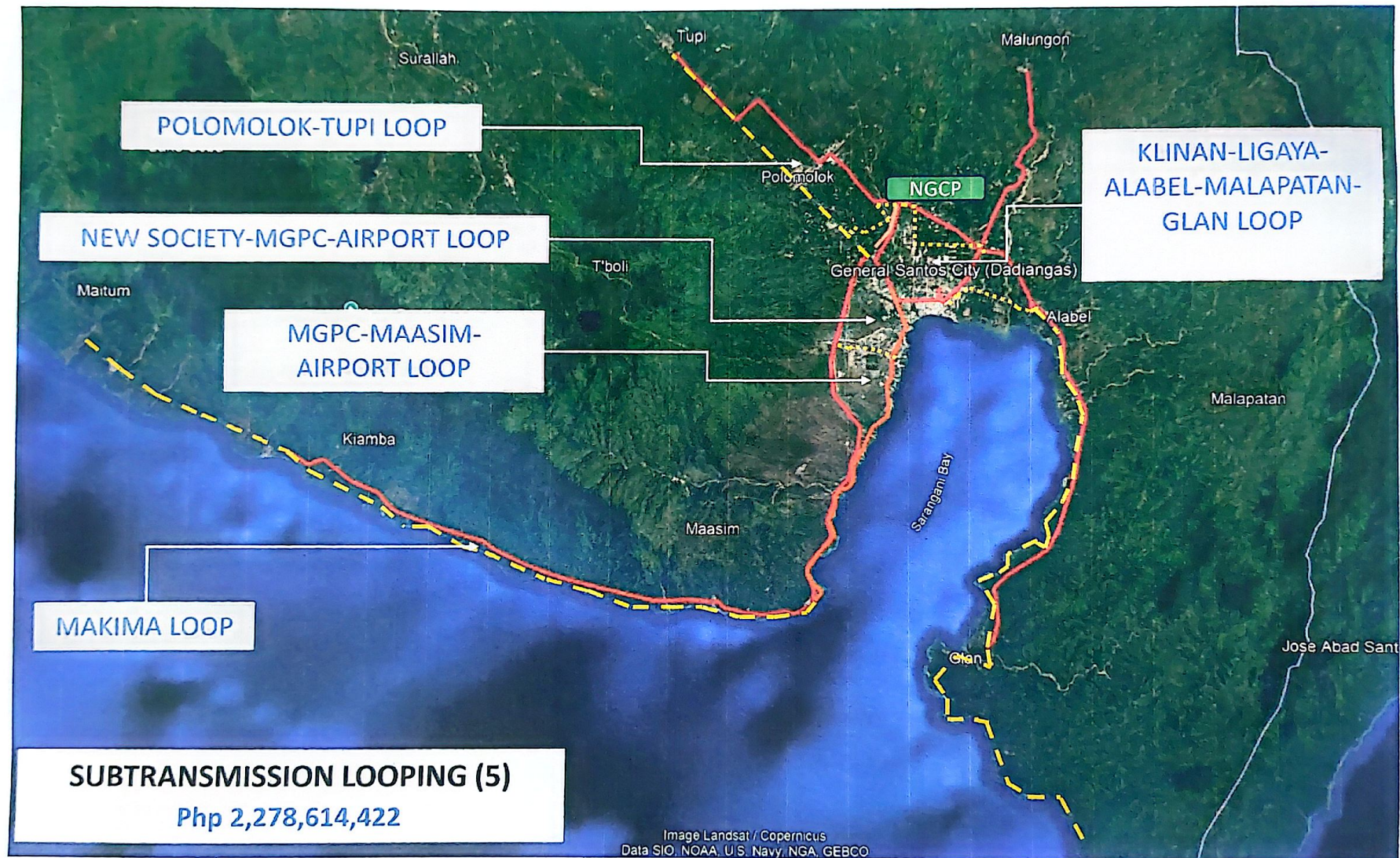
Dependency from NGCP: Widespread and long duration brownouts

Ant ○

STRATEGY: SCADA CONTROLLED LOOPED AND SECTIONALIZED SUBTRANSMISSION AND DISTRIBUTION SYSTEM



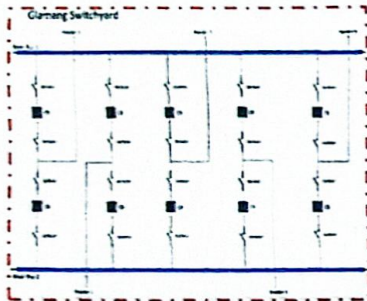
[Handwritten signature]



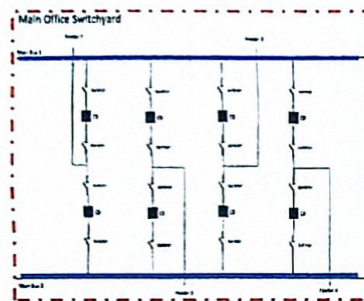
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SWITCHING STATIONS: Double Bus Scheme

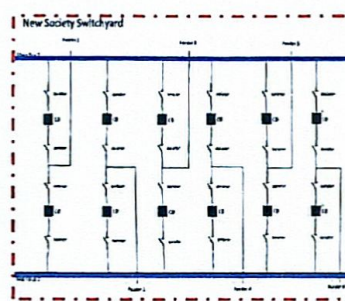
Glamang SWS



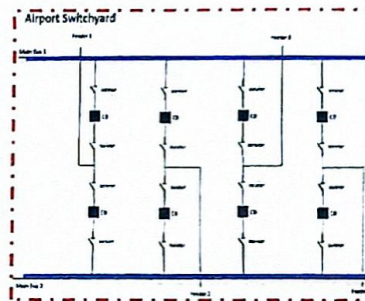
Main Office SWS



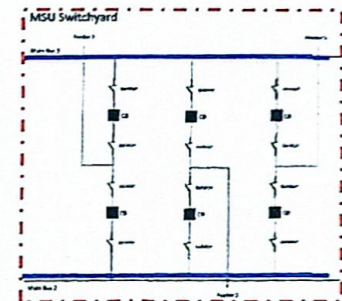
New Society SWS



Airport SWS



MSU SWS



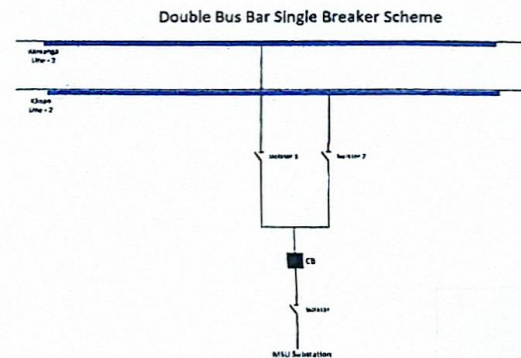
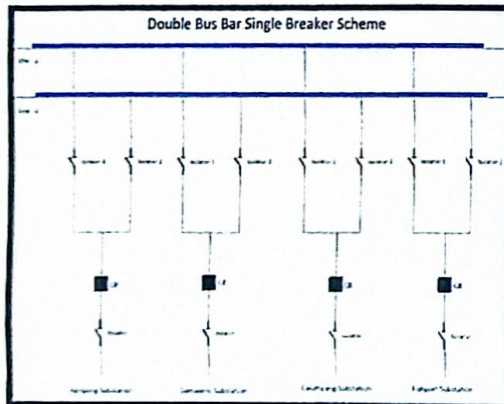
SUBSTATIONS HV BUS UPGRADES

APOPONG, DAMALERIO, CALUMPANG

GLAMANG, POLOMOLOK, TUPI, FISHPORT

MAIN OFFICE

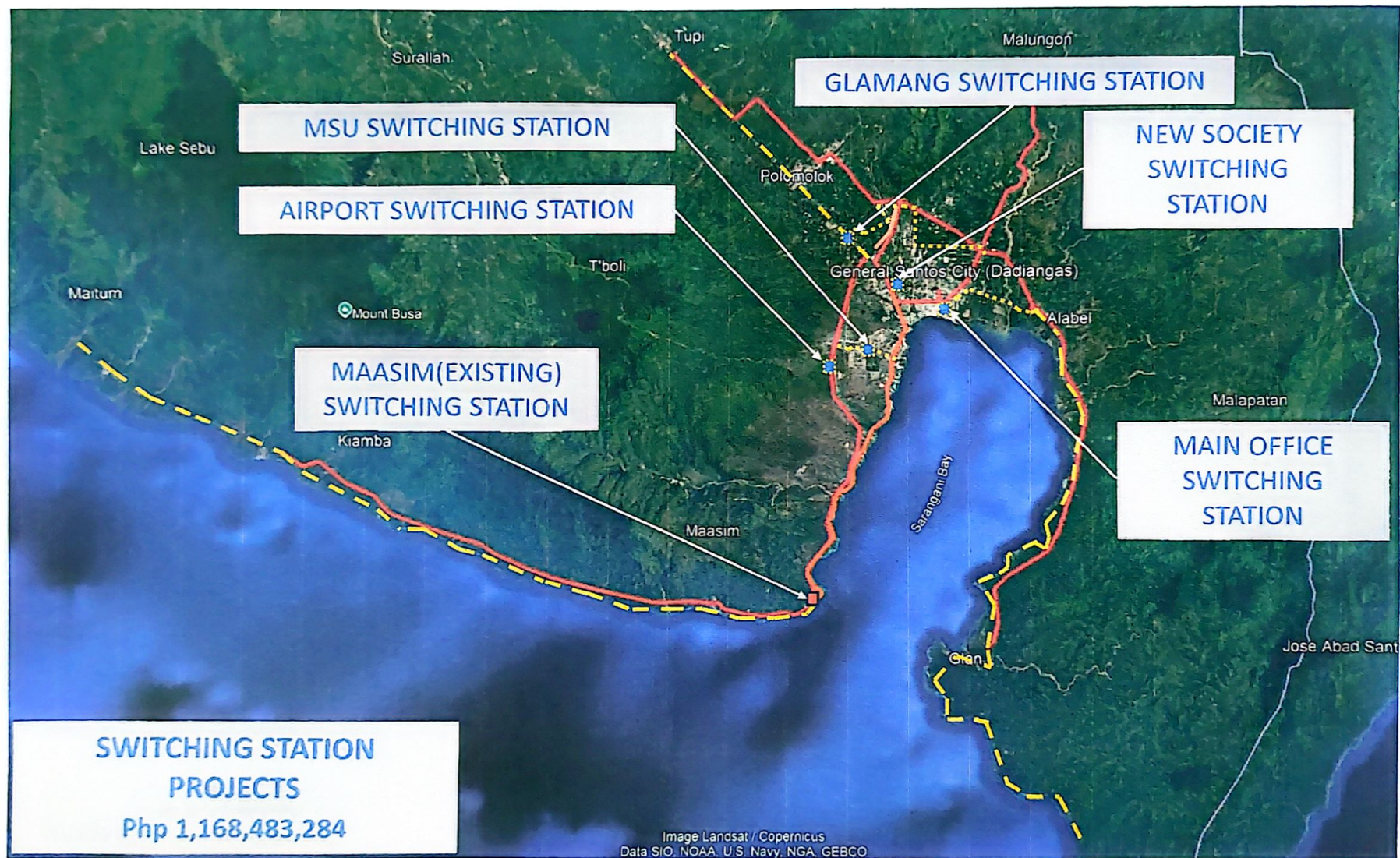
MSU



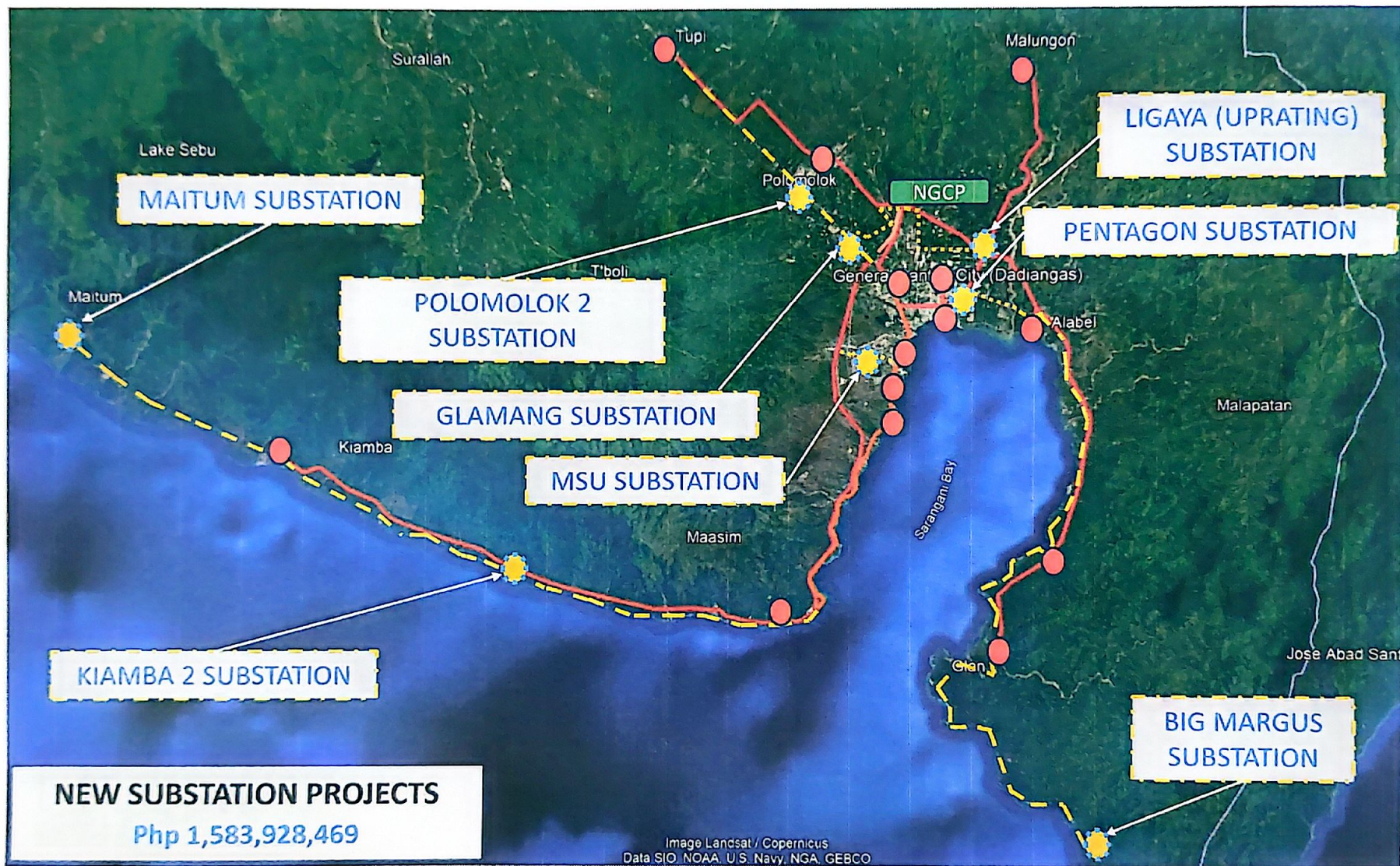
PROJECT COSTS

Php 1,168,483,284

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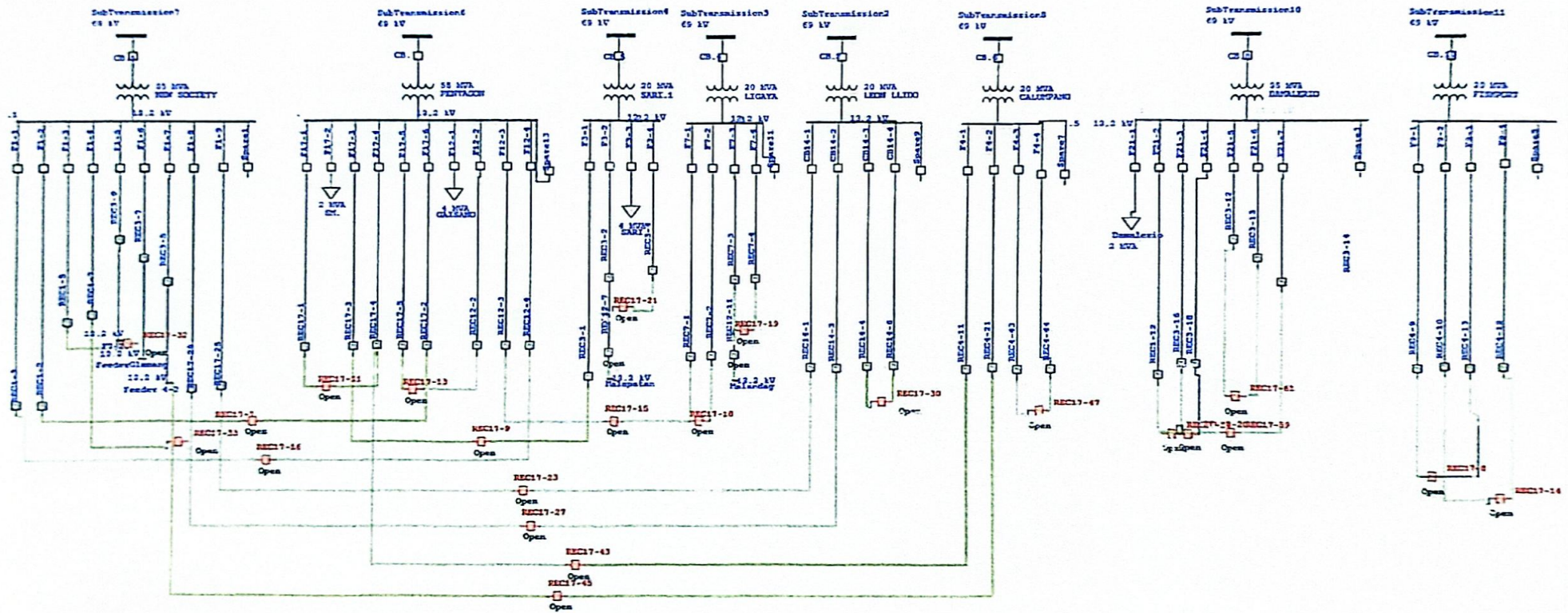


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DISTRIBUTION FEEDER LOOPING AND SECTIONALIZING PROJECTS



PROJECT COSTS

Php 2,357,393,374

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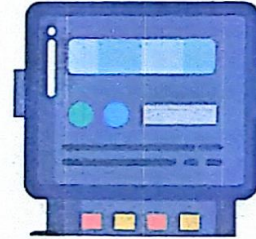
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OTHER NETWORK CAPEX PROJECTS



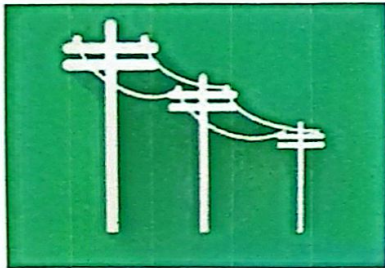
SCADA

Php 161,133,334



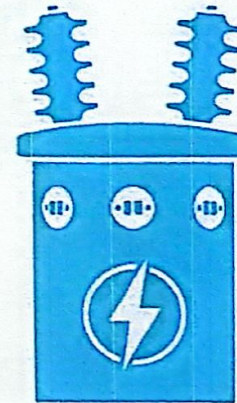
METERS AND METERING FACILITIES

Php 657,806,673



OTHER DISTRIBUTION LINE DEVELOPMENTS

Php 558,885,732



DISTRIBUTION TRANSFORMERS AND VOLTAGE REGULATORS

Php 493,323,766



SPARES

Php 50,167,707

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NON-NETWORK CAPEX PROJECTS



VEHICLES

Php 387,719,400



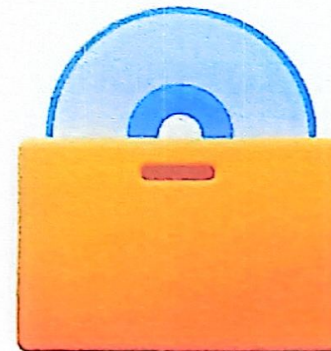
BUILDINGS

Php 611,510,298



SPECIAL EQUIPMENT

Php 177,602,549



SOFTWARES

Php 21,249,482

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PROJECT COSTS

NETWORK CAPEX PROJECTS	
PROJECT CATEGORY	AMOUNT (Php)
SUBTRANSMISSION LINE DEVELOPMENTS	2,278,614,422
SUBSTATION PROJECTS	1,583,928,469
SWITCHING STATION PROJECTS	1,168,483,284
DISTRIBUTION LINE DEVELOPMENTS	2,916,279,106
SCADA	161,133,334
METERS AND METERING FACILITIES	657,806,673
SPARE	50,167,707
TOTAL	9,309,736,761

NON-NETWORK CAPEX PROJECTS	
VEHICLES	387,719,400
SPECIAL EQUIPMENT	177,602,549
BUILDINGS	611,510,298
SOFTWARES	21,249,482
TOTAL	1,198,081,729

GRAND TOTAL : Php 10,507,818,490

ANNUAL CAPITAL REQUIREMENTS

NETWORK CAPEX PROJECTS							
PROJECT CATEGORY	2025	2026	2027	2028	2029	2030	TOTAL
SUBTRANSMISSION LINE DEVELOPMENTS	0	1,106,814,422	1,171,800,000	0	0	0	2,278,614,422
SUBSTATION PROJECTS	51,068,100	181,174,652	535,847,007	494,139,831	154,496,479	167,202,400	1,583,928,469
SWITCHING STATION PROJECTS	0	98,550,000	141,420,000	928,513,284	0	0	1,168,483,284
METERS AND METERING FACILITIES	0	38,052,000	48,878,300	35,878,300	74,984,945	460,013,128	657,806,673
SCADA	0	53,711,111	53,711,111	53,711,111	0	0	161,133,334
DISTRIBUTION LINE DEVELOPMENTS	0	525,582,675	676,840,488	633,777,006	625,473,762	454,605,175	2,916,279,106
TRANSFORMERS & VOLTAGE REGULATORS	0	96,311,000	96,311,000	96,311,000	108,079,766	96,311,000	493,323,766
SPARE	0	0	0	0	50,167,707	0	50,167,707
TOTAL	51,068,100	2,100,195,860	2,724,807,907	2,242,330,533	1,013,202,659	1,178,131,702	9,309,736,761
NON-NETWORK CAPEX PROJECTS							
PROJECT CATEGORY	2025	2026	2027	2028	2029	2030	TOTAL
VEHICLES	0	160,782,480	43,172,480	80,489,480	50,502,480	52,772,480	387,719,400
SPECIAL EQUIPMENT	0	74,467,549	13,250,000	10,010,000	3,000,000	76,875,000	177,602,549
BUILDINGS	0	151,261,623	102,547,177	36,709,326	264,528,477	56,463,695	611,510,298
SOFTWARES	0	0	2,500,000	0	18,749,482	0	21,249,482
TOTAL	0	386,511,652	161,469,657	127,208,806	336,780,439	186,111,175	1,198,081,729
GRAND TOTAL	51,068,100	2,486,707,512	2,886,277,564	2,369,539,338	1,349,983,099	1,364,242,877	10,507,818,490

RATE IMPACT

No.	Conditions	Scenario	2025	2026	2027	2028	2029	2030
R1	No Loan	Annual Debt Servicing - Existing CAPEX (Php)	13,504,410	54,017,639	53,555,907	54,017,639	53,555,907	53,555,907
		Annual Debt Servicing - New CAPEX (Php)	0	0	0	0	0	0
		kWh Sales from RFSC (Php)	58,342,747	186,544,623	197,086,324	207,690,702	218,279,209	228,799,587
		Net Cash Flow (Php)	44,838,338	132,526,984	143,530,417	153,673,063	164,723,302	175,243,680
		Required RFSC (Php/kWh)	1.50					
		Rate Impact (Php/kWh)	1.35					
R2	With Loan at 6% interest rate, 10 years	Annual Debt Servicing - Existing CAPEX (Php)	13,504,410	54,017,639	53,555,907	54,017,639	53,555,907	53,555,907
		Annual Debt Servicing - New CAPEX (Php)	6,828,234	339,321,934	684,539,352	982,477,065	1,131,335,044	1,258,339,884
		kWh Sales from RFSC (Php)	58,342,747	186,544,623	197,086,324	207,690,702	218,279,209	228,799,587
		Net Cash Flow (Php)	38,010,103	-206,794,950	-541,008,934	-828,804,002	-966,611,742	-1,083,096,204
		Required RFSC (Php/kWh)	0.81					
		Rate Impact (Php/kWh)	0.66					

