Mr. Pio Benavidez  
President and CEO  
National Power Corporation  
BIR Road corner Quezon Avenue  
Diliman  
1100 Quezon City, Philippines

Dear Mr. Benavidez:

Re: Grant No. TF0A2379 (Access to Sustainable Energy Project)  
Additional Instructions: Disbursement

I refer to the Grant Agreement ("Agreement") between the National Power Corporation ("Recipient") and the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of the trust funds provided by the European Union for the above-referenced project, dated June 14, 2016, as amended. I also refer to the Agreement providing for the Assignment Assumption, Amendment and Restatement of the EU Grant Agreement. The Agreements provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0A2379 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions. This replaces Disbursement Letter dated June 14, 2016, by changing the implementing agency to National Power Corporation.

The World Bank Disbursement Guidelines for Projects dated February 1, 2017, ("Disbursement Guidelines") are available in the World Bank’s public website at http://www.worldbank.org, and are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

• Reimbursement
• Advance
• Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). No Grace period is applicable for this project. The Disbursement Deadline Date is as the same as the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Grant Agreement.
II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1).
A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
26/F One Global Place
5th corner 25th Street, Bonifacio Global City
Taguig, Philippines
Attention: Mara K. Warwick
Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents to the address indicated below:

The World Bank
26/F One Global Place
5th Ave., corner 25th St., Bonifacio Global City
Taguig City, Philippines
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The Recipient will deliver Withdrawal Application (with supporting documents) electronically through the World Bank’s Client Connection, web-based portal at https://clientconnection.worldbank.org. This option will be affected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations), and which were previously agreed with the Bank. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the World Bank’s public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

(iv) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is USD100,000 equivalent.

(v) Advances (sections 5 and 6).

- Type of Designated Account[s] (subsection 5.3): Segregated
• **Currency of Designated Account[s] (subsection 5.4):** US Dollars

• **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):**
  To be established at a financial institution acceptable to the Bank

• **Ceiling (subsection 6.1):** US Dollars 120,000

III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement (for Category 1 only):**
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4), together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for all contracts subject to the Association’s prior review;
  - Certified Statement of Expenditure in the form attached (Attachment 2) for all other expenditures/contracts

- **For reporting eligible expenditures paid from the Designated Account (for Category 1 only):**
  - List of payments against contracts that are subject to the Association’s prior review, in the form attached (Attachment 4), together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for all contracts subject to the Association’s prior review;
  - Statement of Expenditure in the form attached (Attachment 2) for all other expenditures/contracts; and
  - Designated Account Reconciliation Statement in the form attached (Attachment 5) with bank statement

- **For requests for Direct Payment for Output-based Sub-grants (Cat 2):**
  - Records evidencing eligible expenditures e.g., copies of receipts and supplier invoices
  - Independent Output Verification Report (as set out in the Project Operations Manual)
  - Statement of Output Based Subsidies in the form attached (Attachment 3)
  - TTL approval of the amount requested

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):**
  - Monthly

IV. Other Disbursement Instruction
  Payments for output-based subsidies (Category 2) are to be paid through Direct Payment only. Four months before the Closing date, the project Designated Account (DA) will be recovered and no advance to the DA will be allowed. The project will use Direct payment and Reimbursement methods for remaining payable amounts.
[V.] Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank’s public website at https://www.worldbank.org and its secure website “Client Connection” at https://clientconnection.worldbank.org. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at AskLoan@WorldBank.org using the above reference.

Sincerely,

[Signature]

Attachments

1. Form for Authorized Signatures
2. Form of “Certified Statement of Expenditure”
3. Form of “Statement of Output Based Subsidy”
4. Form of “Claims Against Prior Reviewed Contracts”
5. Form of “Designated Account Reconciliation Statement”
Form of Authorized Signatory Letter
National Power Corporation
BIR Road corner Quezon Avenue
Diliman
1100 Quezon City, Philippines

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Mara K. Warwick
Country Director

Dear Ms. Warwick:

Re: Grant No. TF0A2379 (Access to Sustainable Energy Project)

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of the trust funds provided by the European Union, and National Power Corporation (the "Recipient"), dated _______, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Grant.

For the purpose of delivering Applications to the World Bank, 2[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [individually] 4[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

5[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

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1 Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the World Bank.

2 Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the World Bank.

3 Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

4 Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the World Bank.
the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: __________________

[Name], [position] Specimen Signature: __________________

[Name], [position] Specimen Signature: __________________

Yours truly,

/ signed /

[Position]
CERTIFIED STATEMENT OF EXPENDITURES
(for expenditures not subject to Bank Prior Review)

PAYMENTS MADE DURING THE REPORTING PERIOD FROM TO

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No. (**)</th>
<th>Name of Contractor / Supplier / Consultants</th>
<th>Currency and Total Amount of Contract</th>
<th>Currency and Amount Covered by Application</th>
<th>Amount Eligible per approved AWFP for the FY</th>
<th>Amount Charged to Designated Account (if applicable)</th>
<th>Exchange Rate</th>
<th>Remarks</th>
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Total

XXX

XXX

* A Separate SOE form should be used for retroactive financing

** Items should be grouped by category or alternatively, a separate SOE form may be used for each category

Supporting Documents for this SOE retained at (insert location)

I certify that above claims are eligible expenditures as contained in the approved AWFP for the FY

Signed

Project Director

STATEMENT OF EXPENDITURES
(Payment of Salaries - No Records Required for Submission)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Designation</th>
<th>Salary grade level</th>
<th>Number of years working for NPC</th>
<th>Salary per month</th>
<th>Salary for the month of</th>
<th>Date of payment</th>
<th>Amount paid in NPC</th>
<th>Amount paid in USD equivalent</th>
<th>% Eligibility</th>
<th>Exchange Rate</th>
<th>Amount charged to Designated account</th>
<th>Date of withdrawal from the Designated account</th>
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Total

XXX

XXX

Supporting Documents for this SOE retained at (insert location)

Signed

Name of Project Director
# STATEMENT OF OUTPUT BASED SUBSIDIES
(for expenditures not subject to Bank Prior Review)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Category No. (**</th>
<th>Name of Contractor</th>
<th>Contract no. and Concession Area</th>
<th>Currency and Total Amount of Contract</th>
<th>Currency and Subsidy Amount Invoiced</th>
<th>Amount verified</th>
<th>Total subsidy claim (6-7)</th>
<th>Remarks</th>
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**Total**

Supporting Documents for this SOE retained at ____________________________ (insert location)
### Payments Made during Reporting Period
Against Contracts Subject to the Bank’s Prior Review

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Date</th>
<th>Contract Amount</th>
<th>Date of WB’s Non-Objection to Contract</th>
<th>Amount Paid to Supplier during Period</th>
<th>WB’s Share of Amt Paid to Supplier during Period</th>
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DESIGNATED ACCOUNT RECONCILIATION STATEMENT

GRANT NUMBER ______________
ACCOUNT NUMBER ______________ WITH (BANK) __________________

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) $ ______________

2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - $ ______________

3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2) = $ ______________

4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE ______________ $ ______________

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. ______________ + $ ______________ *

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: ______________ + $ ______________ *

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

<table>
<thead>
<tr>
<th>APPLICATION NO.</th>
<th>AMOUNT *</th>
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SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + $ ______________

8. MINUS: INTEREST EARNED - $ ______________ *

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = $ ______________

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

_____________________________________________________

11. DATE: __________________________ SIGNATURE: __________________________
    TITLE: __________________________

* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT