



GENERAL CONDITIONS OF THE IBERDROLA GROUP FOR THE SUPPLY OF

WORKS & SERVICES IN MEXICO

CGC-OS-MX 01 (En)

1st EDITION
September 2013

GENERAL CONDITIONS OF THE IBERDROLA GROUP MEXICO FOR CONTRACTING WORKS AND SERVICES

1. Purpose

This document sets forth the general contracting terms and conditions that regulate the contractual relationship between the companies that belong to the Iberdrola Group and have their domicile and are incorporated under the laws of Mexico (hereinafter, any of them referred to as "**Iberdrola**") and any third party (hereinafter called the "**Contractor**") for the purposes of contracting and executing Works and Services.

2. Scope of application

2.1 These general terms and conditions ("**GTC**") shall apply to all the Works and Services whose specifications and complexity so require from Iberdrola's point of view. Therefore, any type of standard sale conditions that may be proposed by the Contractor (or which may be implied by trade, custom, practice or course of dealing) are hereby excluded.

2.2 These GTC shall form part of the relationship and the engagement between both parties in connection with the Works and Services and shall, together with the other parts of the Contractual Documentation, set out the reciprocal rights and obligations of the parties.

2.3 The participation in a tender process organised by Iberdrola for the presentation of a Bid by the Contractor shall automatically imply the awareness and acceptance by the relevant Contractor of these GTC.

2.4 Any exception to any of these GTC by the Contractor shall be valid only if, once made in writing, it has been accepted also in writing by Iberdrola. The exceptions agreed in this way shall apply only to one specific Contract or Accepted Order and may not be extended to other past or future Contracts or Accepted Orders.

2.5 A copy of this document shall be provided to the Contractor when a Request for Bid is made and it shall be available on Iberdrola Group's website.

3. Definitions

In these GTC, the following terms shall have the meanings given to them below:

"Accepted Order" means the binding document issued by Iberdrola and accepted by the Contractor by virtue of which both parties set forth their respective obligations with respect certain Works or Services, in the cases where the parties do not execute a Contract. An order shall be deemed to be an Accepted Order (a) by virtue of the parties' fulfilment of their

respective obligations as per the order issued by Iberdrola or (b) by the Contractor sending the acceptance to Iberdrola by any means that can give evidence thereof.

“Associated Equipments and Materials” means any and all goods, stock, equipment, reports, data, presentations, documents, deliverables, software, materials and all other items (in whatever format) provided by or on behalf of the Contractor to Iberdrola as part of or in connection with the Works and Services, including (without limitation) those deliverables specified in the Technical Specification or in other part of the Contractual Documentation.

“Bid” means the proposal made by a Bidder in response to a Request for Bid, which shall be binding for the Bidder during the term set forth therein, and which shall not constitute a binding contract, document or give rise to any binding obligation or liability for Iberdrola unless and until a Contract or Accepted Order has been constituted in accordance with the terms of these GTC.

“Bidder” means the individual or entity submitting a Bid.

“Contract” means the document signed by both parties which formalises the agreement between Iberdrola and the Contractor in relation to the relevant Works or Services, in the cases in which such agreement is not reflected in an Accepted Order.

“Contractual Documentation” means the set of documents set forth in clause 5 below.

“Letter of Intent” means the document which sets forth the general understandings of the parties and that formalises the intention of both parties to enter into the Contractual Documentation to be executed in the near future. Such Contractual Documentation shall be construed on the basis of the principles and understandings established in the Letter of Intent.

Its purpose is to enable the commencement of the execution of the Works and Services by the Contractor once the essential terms and conditions of the engagement have been agreed between both parties, so that such execution is not conditioned to the negotiation of the detailed Contractual Documentation.

“Particular Conditions” means the document which sets forth for each particular case the additional terms and conditions, clarifications and exceptions to these GTC or to any other documents included in the Contractual Documentation.

“Personnel” means the workers and employees, including the managers and supervisors of the Contractor that will carry out or be involved in the execution of the Works and Services

“Request for Bid” means the invitation issued by Iberdrola to a possible Contractor to take part in a bidding process and which sets forth and specifies the documentation that the Bid must include.

“Technical Specification” means the document or set of documents normally prepared for

the relevant Works and Services, detailing the required specific and particular technical requirements that the such Works and Services have to comply with and, where applicable, the procedures to check them.

In accordance with these GTC, the term " Prudent Industry Practices " refers to the practices, methods, techniques and standards, as they may be modified over time and which are generally accepted in the construction industry and in the execution of Works and Services in Mexico, as applicable. The Prudent Industry Practices are not limited to the practice or optimum method, excluding the rest, but rather refer to the common methods and practices reasonably used. The parties agree that in the event of differences between the Prudent Industry Practices of the Contractor's country of origin and Prudent Industry Practices in Mexico, the latter shall prevail over the former.

"Time Schedule" means the document that contains the activities, milestones and deadlines the Contractor has to comply with for the fulfilment of the delivery terms established by Iberdrola.

"Works and Services" refers to specific works and/or services for which the Contractor has been engaged by Iberdrola, which are defined and detailed in the Contractual Documentation.

4. Bids

4.1 Request for Bid

4.1.1 A Request for Bid shall comprise the following documents to be sent to the Bidders:

- a. Letter of invitation to tender, which, among other details, shall describe the scope of the Works and Services
- b. Technical Specification, where applicable
- c. Iberdrola's coordination plan regarding the prevention of labour risks
- d. Particular Conditions, where applicable
- e. These GTC

In the event of contradiction between any of the aforementioned documents, the provisions set forth in that which appears first on the aforementioned list shall prevail.

4.1.2 Should a Bidder find discrepancies or have any doubt about the meaning or intention of any part of the Request for Bid, it shall request a written clarification before sending the Bid. The answers to the questions from any of the Bidders shall be sent to all the other Bidders, without indication of the source of the question.

4.1.3 Iberdrola reserves the right to request, when he deemed necessary, written confirmation from the Bidders of their intention to present a Bid within the established deadline.

4.1.4 Iberdrola reserves the right to partially award the Works or Services offered.

4.1.5 Iberdrola reserves the right to reject at its sole discretion the Bids which, in his opinion, do not comply with the requested terms and conditions.

4.1.6 Iberdrola shall not be responsible for the preparation of a Bid. Therefore, all the Bidders shall assume the costs associated therewith. In addition, Iberdrola shall not have any responsibility if one or all of the Bids presented are rejected or if the relevant Request for Bid is declared void.

4.2 Submission of Bids

4.2.1 All the Bids shall be valid for a minimum term of ninety (90) calendar days from the submission deadline.

4.2.2 When a Bidder anticipates that he cannot submit his Bid before the required deadline, it shall notify Iberdrola in writing with one calendar week's notice, indicating the reasons for the delay and the proposed date for the presentation of the Bid. Iberdrola reserves the right to award the required extension, answering such Bidder and notifying also the other Bidders of the new deadline agreed.

4.2.3 The date of reception of a Bid shall be considered as the date on which it is received at the address indicated on the Request for Bid. The Bids received after the submission deadline shall be rejected (with or without notice to the Bidder). The reception related in this provision can be done by e-mail or by other electronic means unilaterally accepted or decided by Iberdrola.

4.2.4 All the Bids shall meet all the requirements set forth in the Request for Bid and in these GTC.

4.3 Content of the Bid

4.3.1 The Bid shall include a complete proposal for the execution of the Works and Services and shall be structured into three sections: technical, economic-commercial and legal.

a) Technical section

This shall include the following sections:

1. Acceptance of and exceptions to the Technical Specifications.

This section shall start with a Contractor's firm statement declaring its awareness, acknowledgement and acceptance of and its commitment to comply with all Technical Specifications of the Request for Bid. It shall then indicate, if that is the case, the list the exceptions with the relevant justifications and refer to the relevant sections and paragraphs in the Request for Bid.

Any technical exception not included in this section shall not be considered.

2. Scope

This shall include a detailed and full description of the Works and Services set forth in the Request for Bid and included in the Bid. Any extension or variation there to

shall be included in point 5 below.

3. Organisation of the Bidder

- Description and curriculums of the executives and management involved in the execution of the Works or Services included in the Bid and the functions in charge of monitoring the prevention of labour risks.

- Breakdown of the Personnel, indicating the following, as applicable:

(i) Professional category

(ii) Training:

The people with specific functions for monitoring and supervising the prevention of labour risks (preventive resources, persons responsible for coordinating the preventive activities, health and safety coordinator, etc.) shall certify their training as established by the applicable legislation.

The Personnel shall have the training required to deal with the risks inherent to the facilities and the Works and Services being executed. When Works or Services involving electrical hazards are to be carried out on electrical installations or in the nearby area, the personnel involved shall have the required training according with the applicable standards and legislation. Likewise all the Personnel involved in the Works and Services shall have the specific training required by legislation.

(iii) Experience

In general, no less than 85% of the Personnel involved in the execution of the Works and Services which are dealing with inside high- voltage electrical installations in which all or part of such installations are in service, shall have experience in similar work, certified by the Bidder, of more than one year. In accordance with the provisions set forth in applicable standards and legislation, the individuals who fail to certify this experience shall be supervised and monitored by a qualified worker.

The above condition may apply to all kinds of work or installations should Iberdrola so require in the Request for Bid.

(iv) Social Security and financial capacity

- The Bidder shall certify that it is registered as an employer with the Mexican Social Security Institute (hereinafter called the "**IMSS**"), indicating his corresponding number. In addition, it shall provide a detailed list of the registrations of all the workers who will be involved in the provision of the Works and Services, indicating their office, salary and any other information required by the applicable standards and legislation.

In addition, the Bidder shall provide Iberdrola with a letter representing and guaranteeing that it has sufficient economic and financial capacity to respond for its obligations as an employer.

- Organisational chart of the personnel who will participate or be involved in any manner in the execution of the Works or Services.

4. Bidder's accident rate:

The Bidder shall submit a report detailing the Bidder's accident rate over the last

three (3) years in accordance with the report available for such purpose with the IMSS. This report shall be certified by the IMSS.

5. Variations to the Work or Service

Where applicable, this section shall include the Works or Services offered by the Bidder which represent a variation or alternative to the request of Works and Services included in Iberdrola's Request for Bid.

6. Safety measures and plans

The Bidder shall provide Iberdrola with the safety measures and plans for the execution of the Works and Services in the accurate format (preventive activity planning, health and safety plan, etc.), according to applicable legislation governing industrial safety and Iberdrola's coordination plan regarding the prevention of labour risks.

b) Economic-commercial section

This shall include the following sections:

1. Acceptance of and exceptions to the economic-commercial aspects.

This section shall start with the Contractor's firm statement declaring its awareness, acknowledgement and acceptance of, and its commitment to comply with all the economic-commercial aspects of the Request for Bid. It shall then indicate, if that is the case, the list the exceptions with the relevant justifications and refer to the relevant sections and paragraphs in the Request for Bid.

Any economic or commercial exception not included in this section shall not be considered.

2. Prices bid

The work presented in the bid shall be valued by the lump sum system or closed price system or by unit prices, in accordance with the provisions laid down in the request for bid.

When the valuation is made as a lump sum or closed price, the bid shall include a table with the unit prices that form part of the said lump sum or closed price.

The prices shall be reflected in Mexican Pesos.

3. Guarantees.

The Fulfilment Guarantees (as defined below) required in accordance with the Request for Bid, where applicable, must be provided, together with the guarantees required for the relevant Works and Services, where applicable.

4. Prices and estimates of the alternatives to the base Bid, indicated in paragraph 5 of the technical part.

c) Legal Information

A copy of the deed or similar legal binding document, duly granted and in force and effect, evidencing sufficient powers of the Bidder's representative signing the Bid, and a copy of a deed containing its current bylaws.

4.3.2 The Bidders shall adapt their respective Bids to the aforementioned structure so that when a piece of information appears in the section other than the above indicated section, it shall be considered as inexistent, unless specific reference is made to it in the appropriate section.

4.3.3 The prices shall be understood fixed and not subject to review and shall include charges and direct taxes but not indirect taxes. If the prices were to vary in accordance with the

characteristics or changes of the Works and Services, such circumstance shall be expressly indicated in the Bid. When a quantity is to be indicated in numbers and in letters, in the case of contradiction, quantity indicated in letters shall prevail.

4.3.4 The Bidders shall verify the content of the Request for Bid documentation, notifying Iberdrola of the errors and omissions observed on the basis of his own experience and, consequently, he shall propose the modifications he considers necessary for the correct execution thereof.

4.3.5 Any change regarding the provisions set forth in the Request for Bid shall be expressly indicated in writing as an exception or alternative.

4.3.6 Under no circumstances shall any standard terms and conditions of the Bidder be accepted as exceptions or alternatives.

4.3.7 As part of his Bid, the Bidder shall indicate the part of the Works or Services he proposes to subcontract, as well as the identity and qualifications of the possible subcontractors.

4.3.8 The explanations of any part of the Bid documentation requested by Iberdrola either verbally or in writing and shall be answered by the Bidder in writing within a maximum term of five (5) business days and shall form part of the Bid documentation.

4.3.9 The terms and conditions of the Bids may not be conditioned to the purchase of goods or services other than those set forth in the Request for Bid.

4.4 Assessment of Bids

Iberdrola shall assess and select the Contractor according with any the following criteria:

- a) Considering the best Bid on a commercial basis, taking into account several criteria whose importance shall vary according to the type of Works and Services to be executed. Such criteria may be, without limitation: completion date, profitability, quality, safety and price.
- b) Considering only the Bid with the lowest price.

Besides the above mentioned criteria, Iberdrola may also consider and evaluate the capability of the Bidder to demonstrate due compliance with legislation and standards applicable to the exercise of his industrial activity.

Iberdrola reserves the right to choose the method he considers most appropriate for assessing the Bids and selecting the Bidder.

4.5 Acceptance of the Bid

4.5.1 Iberdrola shall select the Bidder or Bidders he considers appropriate at his entire discretion according with any of the criteria set forth in clause 4.4 above.

4.5.2 The acceptance of the Bid shall be formalised by virtue of either (i) a Contract signed by and between legal representatives of both parties or (ii) an Accepted Order signed by Iberdrola and accepted by the Contractor. Both shall incorporate these GTC.

Where considered necessary by Iberdrola, the acceptance of the Bid shall be formalised by means of a Letter of Intent, which will imply the acceptance and submission to these GTC subject to any exception expressly reflected in the Letter of Intent.

4.5.3 Once the Contractual Documentation has been sent to the selected Bidder, the Bidder shall return it signed within a maximum term of fifteen (15) calendar days following the day of its receipt as proof of its acceptance and agreement therewith. Once this term has elapsed without Iberdrola having received the executed Contractual Documentation from the Contractor, Iberdrola shall be free to select a new Bidder at its sole discretion.

4.5.4 As usual practice, Iberdrola shall notify the unsuccessful Bidders of the rejection of their Bids.

4.5.5 The successful Bidder shall present, within a term of ten (10) calendar days after it has been notified of the outcome of the Bid, certified copies of (i) financial statements audited for tax purposes corresponding to the last two financial years; (ii) a balance sheet of the last quarter of the current financial year; (iii) certification of registration in the Federal Taxpayers Register, the modifications to the said certificate presented before the tax authorities and certification of tax domicile; (iv) deed of incorporation with the current articles of association or, where applicable, an authorised copy thereof showing the details of registration in the Public Registry of Property and Commerce; (v) in the case of foreign Bidders, an office copy of his articles of association, certificate of good standing or any other similar document corresponding to the original jurisdiction of the Bidder, duly legalised or, where applicable, certified; (vi) certificate of tax residence issued by the competent authority if not a Mexican resident; and (vii) official copy of the official identification document bearing a photograph of the representative.

Should the Bidder fail to deliver any of the above-mentioned requirements within the stipulated term, the parties agree that Iberdrola may declare the relevant Request for Bid null and void with no responsibility

4.6 Iberdrola reserves the right to deviate from these bidding procedures set forth in this Section 4 with respect to any particular Request for Bid without notice to any Bidder, always complying with the applicable legislation. No Bidder shall have any claim against Iberdrola for any modification or deviation from such procedures or failure to perform any action specified within the procedures for any reason.

5. Contractual documentation

The Contractual Documentation governs the relationship between the parties and, it shall comprise the following documents:

- a. Contract or Accepted Order with which the acceptance of the Bid is formalised.
- b. Technical Specifications
- c. Time Schedule
- d. Iberdrola's coordination plan regarding the prevention of labour risks
- e. Particular Conditions, where applicable
- f. These GTC
- g. Bid

The Particular Conditions and the Technical Specifications shall include the exceptions and variations agreed by and between both parties. In the case of the Technical Specifications, such exceptions or variations can also be included in an annex thereto.

All the above-mentioned documents complement each other.

In the event of contradiction between any of them, that which appears first on the aforementioned list shall prevail.

The Contractual Documentation shall come into force and effect immediately upon (i) the Contract being signed by both parties or (ii) the Accepted Order is accepted by the Contractor.

6. Execution of Works or Services

The Works and Services shall be executed at the risk of the Contractor, and the economic consequences or outcome thereof shall be exclusively on its account.

The Contractor shall execute the Works and Services in strict compliance with applicable legislation and standards, the Contract or the Accepted Order and the Contractual Documentation and with all the instructions of Iberdrola or its authorised contractors, consultants or agents.

The completion date shall not be later than that required by Iberdrola, unless, due to a force majeure event, the Contractor cannot comply with the agreed term, in which case he shall notify Iberdrola in writing as soon as practicable, and in no case later than seven (7) calendar days after the force majeure event occurs.

Without prejudice to the specific events considered as force majeure set forth in clause 12.7 of these GTC, an event of force majeure is defined as the event that:

- (a) prevents or delays the affected party from complying with its obligations in accordance with the Contract or these GTC; and

- (b) is beyond the reasonable control of the affected party; and
- (c) is not the result of fault or negligence of any of the parties; and
- (d) could not be avoided by the affected party through the exercise of due diligence, including the spending of any reasonable amount of money taking into account the nature of the Works and Services.

The above-mentioned four conditions must be met for the relevant fact to be considered as an event of force majeure. The economic difficulties of either of the parties shall not be deemed to be an event of force majeure.

The party invoking an event of force majeure shall have the burden of proof.

As soon as practicable following after such notification, the parties shall consult with each other in good faith and the party affected by the force majeure event shall use all reasonable endeavours to mitigate the effects of the force majeure event and to facilitate the continued performance of the Contract or Accepted Order.

Should the parties not reach an agreement regarding the application of force majeure, the situation shall be resolved in accordance with clause 12.11 below.

The Contractor shall be responsible and shall be in charge of the maintenance, conservation, handling and transport of the equipment and materials used for the execution of the Works and Services.

6.1 Organisation of the Contractor

6.1.1 The Contractor shall execute the Works and Services using its Personnel, assuming all the obligations, liabilities and responsibilities which correspond to it as an employer, especially those resulting from the choice or monitoring of his own Personnel in accordance with applicable standards and legislation.

6.1.2 The Contractor shall select the sufficiently trained Personnel for the execution of the Works or Services.

6.1.3 The Contractor shall notify Iberdrola of the qualified individuals who shall act as managers or supervisors (the "Supervisors") of the Works and Services execution, in accordance with Iberdrola's requirements. Such Supervisors shall assume the organisation, management, monitoring and control of the activity carried out by its Personnel, as well as the necessary coordination in the event that, fulfilling the requirements and provided that it is allowed herein, the Contractor is subcontracting part of the referred Works and Services with third parties. The Supervisor shall assume responsibility for the proper execution of the Works and Services under the corresponding technical and safety conditions, notifying Iberdrola's representative of any fault or incident that may occur, and shall be sufficiently empowered to do so in accordance with the applicable legislation, powers that shall be granted by virtue of a public deed, a copy of which shall be provided to Iberdrola before the commencement of the execution of the relevant Works or Services.

The breach of this provision by the Contractor shall not relieve it from any of its obligations, liabilities or responsibilities under and/pr pursuant to the Contract or Accepted Order or at applicable legislation. Any notice or communication provided to the Supervisor shall be deemed to have been directly provided to the Contractor for all purposes.

6.1.4 The Contractor shall ensure the appropriate and required training of its Personnel in accordance with the risks inherent to the Works or Services under Contractual Documentation and, in particular, by means of a certificate indicating that the Personnel is authorised or qualified by the Contractor in accordance with the applicable standards and legislation when the Works or Services to be carried out involve an electrical hazard. If the Contractor has to replace someone of his Personnel, he shall assure that the execution of the Works and Services does not interrupt.

6.1.5 All the Contractor's Personnel involved in the execution of the Works and Services shall wear an identification as employees of the Contractor's company, as well as the fact that such Personnel is rendering services to Iberdrola and such identification shall be worn in a visible place. In addition, the Contractor and its Personnel shall maintain correct relationships with Iberdrola's personnel, users, owners, official bodies local authorities and other third parties in order to preserve the image of Iberdrola. Any significant incident regarding thereof shall be immediately notified to Iberdrola. In case of breach, Iberdrola may request the Contractor or subcontractor the replacement of Personnel responsible for such breach.

6.1.6 The Contractor, through a competent technician, shall prepare and sign the project (the "Project"), which shall comply with the terms and requirements set forth in the Contractual Documentation. Iberdrola reserves the right to require the Contractor, upon completion of the Work or Service on an installation, to provide the relevant completion certificate stating that such Work or Service has been completed in accordance with the Project, which shall be signed by the Contractor's competent technician and may be used, where applicable, to obtain any administrative authorisation for commissioning the installation.

6.1.7 Iberdrola shall appoint a representative to supervise the correct execution of the Work or Service in accordance with the terms and conditions established in the Contractual Documentation/the Project. Without prejudice to Iberdrola's rights and remedies under and/or pursuant to the Contract or Accepted Order and/or at law, such representative shall inform the Supervisor of the anomalies he observes and requesting any information he considers appropriate. In addition, during the visits to works centers by Iberdrola's prevention service technician, this technician may supervise the prevention of labour risks resulting from the Contractor's works.

6.1.8 The Contractor shall not be believes from its obligations and shall not have the right to claim any economic compensation and/or any amendment to the prices should any official provision, change in the law or union agreement modify the working conditions set forth in the Contractual Documentation during the term of the Contract or the Accepted Order.

6.1.9 Without prejudice to clause 9, Iberdrola shall provide such information as may reasonably be requested by the Contractor in connection with the performance of its obligations under the Contractual Documentation.

In addition, the Contractor shall notify in writing, in detail and with sufficient notice, the requirements of the materials whose supply correspond to Iberdrola or Iberdrola's suppliers, so that no delay may be justified by a shortage or lack of material.

6.1.10 The Contractor shall be responsible for and shall assume the cost of the maintenance, conservation, handling and transport of all materials, equipment and tools, drawings, specifications, information and data supplied by Iberdrola to the Contractor ("Iberdrola Materials") and shall hold them in safe custody at its own risk, maintain Iberdrola Materials in good condition until returned to Iberdrola, maintain adequate insurance cover in relation to Iberdrola Materials while in the Contractor's possession and not dispose of or use Iberdrola Materials other than in accordance with Iberdrola's written instructions or authorisation.

6.1.11 The Contractor shall undertake to construct, provide and maintain, on his own account, all the provisional installations and auxiliary buildings required for offices, warehouses, workshops, changing rooms, hygienic services, etc., in the areas indicated for the said purposes by Iberdrola.

6.1.12 The Contractor shall provide all the equipment, tooling, transport, safety material, etc required for the appropriate execution of the Works or Services and maintain appropriate insurance coverage in relation to such items.

The Contractor shall (having regard to the terms of the Technical Specification) use the best available quality goods, materials, standards and techniques, and ensure that the Works and Services, and all goods and materials supplied and used in the Works and Services or transferred to Iberdrola, shall be free from defects in workmanship, installation and design.

In these cases in which the performance of the Works and Services includes the supply of Associated Equipments and Materials, the Contractor shall meet the requirements set forth in the general conditions of the Iberdrola Group for the supply of equipments and materials.

In addition, he shall guarantee the appropriate training of the Personnel using the referred items and the correct operation, conservation and maintenance of the equipment, where the Contractor shall assume the responsibility for any losses, damages and/or liabilities arising from the inappropriate use or incorrect operation thereof. A register shall be kept to control the said media, which may be required by Iberdrola.

6.1.13 On the total or partial termination of the Work or Service, the Supervisor shall be responsible of leaving the work area perfectly tidy and clean, taking particular care to ensure that the installations and accesses thereto are left in the appropriate safety conditions.

All the elements contributed by the Contractor under clauses 6.1.11 and 6.1.12 shall be removed by the Contractor in the shortest possible term and within the term of fifteen (15)

days following the Work or Service completion, returning the affected facilities and land to the situation in which they were prior to the commencement thereof.

Should the Contractor fail to comply with the referred obligation in the above mentioned term, Iberdrola may carry out whichever activities or actions for this purpose, and the Contractor shall bear any costs arising thereof costs and indemnification for the corresponding damages.

6.1.14 The Contractor assure the integrity and safety of the relevant Works or Services and the corresponding warehouses, and all the damages arising in relation with any of the foregoing shall be borne by the Contractor.

6.1.15 The Contractor shall subscribe to the union agreements signed by Iberdrola.

6.2 Obligations of the Contractor

6.2.1 The Contractor shall perform the Works and Services in a timely and professional manner and in any event in accordance with clause 6.5 and any other specific timescales set out in the Contractual Documentation or as otherwise notified by Iberdrola to the Contractor from time to time

The Contractor shall not do or omit to do anything which may cause Iberdrola and/or any Iberdrola Group company to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business.

The execution of the Works or Services shall include the necessary measures to be adopted by the Contractor for the fulfilment of its obligations regarding the prevention of labour risks, civil protection and those corresponding to the companies with which he subcontracts part of the purpose of the Contractual Documentation, providing the necessary documents and ensuring the fulfilment of the Personnel rights and obligations.

The Contractor shall be responsible for safety conditions during the term of execution of the Work or Service and for the fulfilment of the standards set forth in the applicable legislation and, in any case, with Iberdrola's coordination plan regarding the prevention of labour risks and the other additional measures required for the correct fulfilment of the contractual purpose.

The Contractor undertakes to use and establish the means that are necessary in order to protect, prevent, form and inform of the labour risks to the Personnel in charge of the execution of the Works and / or Services, evaluating the risks, reporting on them, facilitating the corresponding individual and collective protection equipments, monitoring the fulfilment of the obligations by the Personnel, undergoing periodic controls of the working conditions and of the activity of the above mentioned Personnel, and guaranteeing the periodic surveillance of their health depending on the risks inherent to their work, in the terms established under the labour risk prevention legislation in force.

6.2.2 The Contractor shall comply with Iberdrola's internal regulations, labour legislation and, in general, with the standards and legislation that are applicable in the area of social security with regard to its employees. Accordingly, Iberdrola shall monitor and supervise the fulfilment of such legal labour obligations established in applicable legislation, and shall be allowed to require the Contractor make available and show to Iberdrola a certification of any the following documents:

- a) Administrative authorisations that allow the Contractor to carry out the Works and Services, including the registration on the Federal Register of Taxpayers or certificates issued or activities guaranteed by the industrial chambers or the chambers of commerce, up to date with regard to the latter. Should the Contractor be a foreign enterprise, he shall provide a current certificate of tax residence from the country of origin.
- b) Copy of the legally required notices presented to the labour authority.
- c) Certificates of the registration of workers on the IMSS and other corresponding governmental offices.
- d) Insurance policies in force and effect covering temporary professional incapacity, permanent professional incapacity, death and professional illness, and, in general, all the insurances set forth in section 6.9.
- e) Visits book.
- f) Nominal list of the Contractor's workers who shall carry out the Work or provide the Service at Iberdrola's installations, specifying the names, surnames, professional category, RFC and IMSS number, address and type of contract of employment by which they are bound to the Contractor, as well as the term thereof.
- g) Certificate of residence, in the case of services provided by individuals not resident in the country.
- h) The Contractor shall inform Iberdrola of any new or leaving employees involved in the execution of the Work or the provision of the Service immediately or no later than the following business day.
- i) Individual and collective contract of employment presented to the corresponding local board of reconciliation and arbitration, where applicable.
- j) Declaration, where applicable, by the Contractor's authorised representative certifying that his subcontractors are up-to- date with their salary obligations and worker contributions to the IMSS.
- k) Audited financial statements.
- l) Documentation required by the plan for activities regarding the prevention of labour risks in accordance with legislation and civil protection.

The Contractor's failure to present the above mentioned documents or the existence of irregularities in therein shall allow Iberdrola to retain or compensate any pending payment to the Contractor and to terminate of the Contract or the Accepted Order.

6.2.3 The Work or Service shall be provided in strict compliance with environmental legislation, and the Contractor shall adopt the necessary, corrective measures for minimising the negative impact on the environment in accordance with the corresponding Prudent Industry Practices.

6.3 Responsibilities of the Contractor

6.3.1 The Contractor assumes responsibility against Iberdrola for the fulfilment of all the applicable standards and legislation, as well as those which may come into effect during the execution of the Works or the provision of the Services.

6.3.2 Iberdrola shall not be responsible for the breach by the Contractor of the applicable standards and legislation; in any case, the Contractor undertakes to indemnify and hold Iberdrola harmless for any Contractor's acts or omissions. If possible, the indemnification shall be paid by means of compensation against the outstanding invoices issued by the Contractor.

6.3.3 The Contractor shall assume all the damages resulting from any kind of action or omission caused directly or indirectly by its Personnel or any other individuals with or without labour relations with the Contractor who are working under his management or present at the execution of the Work or Service.

6.3.4 A strike during the execution of the Contract or Accepted Order shall not entitle the Contractor to decline his contractual responsibilities under any circumstances.

Iberdrola shall be free to suspend the Contract or Accepted Order and contract the relevant Works or Services with a third party if such Works or Services are at risk of not being completed by the Contractor. Iberdrola may charge the Contractor with any extra cost arising from such circumstance.

6.3.5 Any approval by Iberdrola shall not mean nor be interpreted as a release of the Contractor from his responsibility for his obligations as per the Contract, Accepted Order or Contractual Documentation.

6.3.6 The Contractor shall be exclusively responsible for the damages caused to Iberdrola through the fulfilment or non-fulfilment of the provisions set forth in the Contract, Accepted Order or Contractual Documentation.

All the elements owned by the Contractor shall be removed by the it in the shortest possible term and in any case within the term of fifteen (15) days following the completion of the Work or Service, returning the affected facilities and land to the situation in which they were prior to the commencement thereof.

6.4. Employment conditions

6.4.1 All personnel employed by the Contractor to execute the Supply shall be employed by it, and since the Contractor has sufficient resources to comply with the obligations arising from such employment relationship, in terms of Article 13 of the Federal Labour Act, the Contractor shall be solely responsible for the labour obligations that arises from such relationships, such as wages, compensation and labour risks, and an other resulting from the Federal Labour Act, the Social Security Act or any other applicable legislation.

6.4.2 Under no circumstance Iberdrola shall be considered as direct employer or its substitute with respect to the referred personnel. Therefore, the Contractor shall be responsible for all individual or collective complaints that such personnel may file, and liable for the potential penalties that the competent administrative or judicial authorities may impose. The Contractor shall indemnify and hold Iberdrola harmless (including attorneys fees) for any claim, action or penalty filed by any third party against Iberdrola related to such employment relationship. Likewise, no employment relationship, subordination, partnership or franchise exists between Iberdrola and the Contractor.

6.5 Monitoring and quality

6.5.1 The Contractor shall guarantee and certify the correct provision and quality of the Work or Service to the satisfaction of Iberdrola, as well as the materials used in the execution thereof in accordance with the terms and conditions set forth in the contractual documentation, legislation and applicable standards and the Prudent Industry Practices.

The mere commissioning shall not imply the correct execution of the Work or Service.

6.5.2 Without prejudice to clause 6.5.1, Iberdrola may require the Contractor to certify compliance with the contractual specifications of the materials and equipment whose provision by the Contractor is established in the Contractual Documentation. Iberdrola may reject those which are not considered appropriate, and such rejection shall not justify any delay in the execution of the Work or Service by the Contractor.

6.5.3 The development and execution of the Work or Service to be carried out by the Contractor shall be subject at all times to Iberdrola's right to information.

Accordingly, Iberdrola's representatives shall have free access to the work centres or facilities where the Works or Services are being carried out, and the Contractor shall provide them with any information they consider appropriate or convenient. Iberdrola's exercise of its right to information does not release the Contractor from its obligation and responsibility for the correct execution of the Works and Services.

Furthermore, the Contractor agrees to cooperate fully in the collection, compilation and maintenance of data and information within its possession or control as may be required to be reported by any Iberdrola Group company under any laws or other contractual commitments expressly notified to the Contractor.

6.5.4 In the case of nuclear power stations, should the Work or Service imply work on systems related to the safety thereof, the provisions set forth in the applicable legislation and standards shall be fulfilled.

6.6 Term for completion of the Work or Service

The term and deadlines for the execution and completion of the relevant Work or Service shall be agreed in the Time Schedule (or other relevant document) that forms part of the Contractual Documentation and/or which are notified by Iberdrola to the Contractor

pursuant to the Contract or Accepted Order from time to time.

6.7 Reception of the Work or Service

6.7.1 Upon completion of the Work or Service the Contractor shall submit to Iberdrola a final report on the Work or Service in the format and with the content specified in the Contractual Documentation (the "**Completion Report**").

6.7.2 Provisional reception. In the Completion Report, the Contractor shall notify Iberdrola the due termination and completion of the Work or Service so that Iberdrola may verify the Contractor's compliance with the technical requirements and contractual obligations regarding the execution of the relevant Works and Services, and without delay, provisional delivery of such Works and Services shall be made and placed at Iberdrola's disposal.

- a) Should Iberdrola be satisfied with the Works and Services, it shall issue a document in which it shall declare and set forth its provisional reception of the Works and Services (the "**Provisional Reception Document**").
- b) Otherwise, Iberdrola shall issue a document pointing out the defects or mistakes appreciated, the curing measures to be undertaken and carried out by the Contractor to solve the problem and the term granted for this purpose.

After the referred term (or, if earlier, the date on which the Contractor confirms to Iberdrola that the relevant defects have been rectified), a new verification shall be carried out by Iberdrola.

- a. Should it be satisfactory for Iberdrola, the Provisional Reception Document shall be issued;
- b. Should the Works and Services (and any Associated Equipments and Materials) not be acceptable to Iberdrola, Iberdrola shall be allowed to either (i) terminate the Contract or the Accepted Order or (ii) grant a further period of rectification of the relevant defects, which case the remainder of this clause 6.7.2 (b) shall apply mutatis mutandis.

For the avoidance of any doubt, any costs associated with the rectification of any defects shall be the sole responsibility of the Contractor

Acceptance (pursuant to this clause 6.7 or otherwise) of any Works and Services by Iberdrola shall not relieve the Contractor of any of its obligations and/or liabilities under and/or pursuant to the Contract or Accepted Order in connection with those Works and Services.

6.7.3 Final reception. Once the guarantee period set forth in clause 6.7 below has elapsed, the Contractor shall request from Iberdrola the Works and Services final reception.

- a) Should the Works and Services comply with the provisions set forth in the

Contractual Documentation and be satisfactory, Iberdrola shall issue the document in which it shall finally accept and receive the Works and Services (the "Final Reception Document")

- b) Otherwise, Iberdrola shall issue a document pointing out the defects or mistakes appreciated, the curing measures to be undertaken and carried out by the Contractor to solve the problem and the term granted for this purpose. Thus, the Contractor shall carry out the accurate corrections of the faults observed by Iberdrola within the granted term. After such term, if the defects have not been appropriately cured, Iberdrola shall have the right to terminate the Contract or Accepted Order, as applicable, and ask for the corresponding indemnification for damages and, Iberdrola shall be allowed to execute the Fulfilment Guarantee for these purposes.

6.7.4 Once the Final Reception Notice has been issued by Iberdrola and final reception of the Work or Service has been completed, the Contractor's responsibilities as per the Contractual Documentation shall terminate, except for hidden defects and commitments in force at that time according with the Contractual Documentation, such as those related to society and salaries, those expressly set forth in the Final Reception Document and the guarantees indicated in clause 6.7 below.

6.7.5 The Contractor shall provide Iberdrola with all the information or documentation required in accordance with applicable legislation and standards, evidencing, where applicable, the legal importation of the equipment and materials for the execution of the Work or Service, where it shall be fully responsible for the payment of the taxes, duties, fees, contributions, etc. due as a result of the importation or re-exportation of the corresponding goods.

6.8 Guarantees

6.8.1 The Contractor guarantees that the equipment and materials it uses for the execution of the Works and Services comply with all the agreed specifications and the applicable legal provisions and standards and that they are appropriate for any purpose expressly or impliedly made known to the Contractor by Iberdrola and have not been used previously.

In addition, he guarantees that the Work or Service:

- a) has been carried out in accordance with the required Contractual Documentation and specifications and applicable standards and legislation and in accordance with the Prudent Industry Practices;
- b) is complete and comply with the purpose for which Iberdrola signed the Contract or Accepted Order .

The use by Iberdrola or any Iberdrola Group company of the Works and Services, the Associated Equipments and Materials and/or any other items provided by or on behalf of the Contractor or are otherwise used by the Contractor in connection with the provision of the Works and Services under and/or pursuant to the Contractual Documentation shall not

infringe the Intellectual Property Rights of any third party.

The warranties set forth in this Section are not intended as a limitation, but are in addition to all other express warranties set forth in the Contract or Accepted Order and such other warranties as are implied by law, custom, and usage of trade.

6.8.2 The term of the guarantee is that set forth in the Contractual Documentation and, in the absence thereof, for one (1) year following the date of the Provisional Reception of the Document, without prejudice to the provisions set forth in the Commercial Code and in the Federal Civil Code for the exercise of the corresponding action.

Iberdrola shall report any fault or defect observed in the execution of the Works or Services, and the Contractor shall carry out the required modifications as determined by Iberdrola until the Work or Service complies with the requirements established by Iberdrola.

6.8.3 Should the Contractor not act with the reasonably required promptness in fulfilment of its obligations according with the guarantee, Iberdrola may do so on his own account or by means of third parties at the Contractor's expense. The Contractor shall indemnify and hold Iberdrola harmless for all the damages caused by any breach of its obligations.

6.8.4 If, during the term of guarantee, the Contractor has to repair or amend defects or faults according with the above, the term required for the repair, replacement of components or execution of the new Work or Service shall not be considered as counting for the term of guarantee.

The part of the Work or Service affected by such repair, replacement or modification referred above shall be guaranteed again for a term equal to to total guarantee period established for the entire Work or Service.

6.8.5 The reception of the Work or Service and the end of the guarantee period established for the Work or Service shall not release the Contractor from his responsibility regarding hidden faults or defects or any other responsibility under applicable legislation.

6.8.6 The Contractor shall indemnify and hold Iberdrola harmless from all expenses (including reasonable expenses for legal defence), and damages caused by any violation of property rights related to the Work or Service carried out by the Contractor, his Personnel or subcontractors, if any.

Iberdrola shall have the right to appoint its legal advisors to represent its interests and assume its defence in the lawsuits, administrative disciplinary proceedings or any other proceedings arising thereof and the Contractor shall pay their reasonable fees.

6.8.7 For complying with the guarantees given by the Contractor to Iberdrola under this clause, the Fulfilment Guarantees set forth below shall apply.

6.9 Remedies

6.9.1 If the Contractor fails to perform any Works and Services or to supply any Associated Equipments and Materials by the applicable delivery date required by Iberdrola, Iberdrola shall, without limiting its other rights or remedies, be entitled to exercise one or more of the following rights:

- a) to terminate the Contract or Accepted Order with immediate effect by giving written notice to the Contractor;
- b) to refuse to accept any subsequent performance of the Works and Services which the Contractor attempts to make;
- c) where Iberdrola has paid any sums in advance for Works and Services that have not been supplied or performed by the Contractor in accordance with the Contractual Documentation, to require the Contractor to refund such sums; and/or
- d) to require the Contractor to reimburse Iberdrola for any additional costs, loss or expenses incurred by Iberdrola which are in any way attributable to the Contractor's failure to perform the Works and Services in accordance with the Contract or Accepted Order, including the additional costs of obtaining replacement works and/or services.

6.9.2 If the Contractor has supplied the Works and Services that do not comply with any of the undertakings and/or warranties set out in the Contractual Documentation, then, without limiting its other rights or remedies, Iberdrola shall be entitled to exercise one or more of the following rights (whether or not it has accepted the relevant Works and Services):

- a) to reject any Associated Equipments and Materials (in whole or in part) whether or not title has passed to Iberdrola and to return them to the Contractor at the Contractor's own risk and expense;
- b) to require the Contractor to repair or replace any rejected Associated Equipments and Materials and/or re-perform the relevant Works and Services; and/or
- c) to exercise any or all of the rights set out in clause 6.10. a) to d).

6.9.3 These GTCs shall also apply to any substituted or remedial services and/or repaired or replacement Associated Equipments and Materials supplied by the Contractor.

6.9.4 Iberdrola's rights and remedies under this clause are in addition to its rights and remedies under the remainder of the Contractual Documentation and any rights and remedies that are implied by statute and/or law.

6.10 Insurance

6.10.1 The Contractor shall take out and maintain in full force and effect with reputable insurance companies of a financial strength reasonable acceptable by Iberdrola that have authorisation to operate in the scope of the Contract or Accepted Order, the following insurance coverages:

- a) Liability Insurance in a broad form including all liabilities arising out of property damage, bodily injury and consequential damage to third parties, including Iberdrola and its personnel and the Comisión Federal de Electricidad and its employees and civil servants , and/or caused by and/or related to and/or attributable to the Contractor, his Personnel, subcontractors or representatives or any individual or entity involved in the execution of the Work or Service with a minimum insured limit of USD 1.000.000 per claim (or equivalent amount in local currency).

This Liability Insurance shall include coverage for Comprehensive General Liability, Products Liability and Completed Operations Liability, and Sudden and Accidental Pollution, and Cross Liability. This insurance shall also include a motor third party liability cover in excess of the specific motor third party liability insurance for those vehicles entering Iberdrola's facilities.

This insurance policy shall name the Contractor, Iberdrola, the Comisión Federal de Electricidad, their personnel, subcontractors or representatives and any individual or entity involved in the execution of the Works or Services as the insured parties. Furthermore, all parties involved in the Work or Service shall be considered as third parties with regard to Iberdrola. The insurance companies shall waive their right to subrogate against Iberdrola and the Comisión Federal de Electricidad, their Personnel, subcontractors and representatives.

- b) The mechanical vehicles authorised to travel on the public highway shall be insured with at least an unlimited civil liability guarantee while they are at the site. Motor Third Party liability insurance for those vehicles entering Iberdrola's facilities.
- c) If the scope of the Works and Services includes the transport of equipment or materials under liability of the Contractor, the latter shall contract a corresponding liability insurance policy.
- d) The Contractor shall sign the labour accident policies required by labour legislation, as well as the life and/or accident policies required by the corresponding union agreement.

Other compulsory and/or statutory insurances to be in force according to the applicable legislation or statutory requirement

6.10.2 All the insurance policies signed by the Contractor shall include a provision stating that the insurance company, before cancelling or modifying in any manner the policy's terms and conditions, shall notify Iberdrola in writing with at least thirty (30) calendar days notice.

6.10.3 Before starting the execution of the Contract or the Accepted Order, the Contractor shall furnish Iberdrola an evidence (through the corresponding certificate by the insurance company) of the full validity, scope of insurance coverage and adequacy of the insurance to the conditions contained herein. The Contractor shall engage with Iberdrola if in the opinion of Iberdrola it considers it necessary for the Supplier to

extend or increase the scope of the insurance cover held by it at any time. The fact that the Contractor has sent a copy of the required insurance policies shall not imply that Iberdrola has approved such policies.

The Contractor shall notify Iberdrola of any modification or renewal of the policies indicated in the abovementioned sections and provide a copy thereof. In addition, when so required, he shall also provide Iberdrola with the receipt of payment..The Supplier shall need the prior approval by Iberdrola in order to cancel the policies indicated in the above mentioned sections.

6.10.4 In case of accident, damage, loss or third party claim arising out of or in connection with this contract, the Contractor shall provide immediate written notice to Iberdrola.

6.10.5 The Contractor shall indemnify and hold Iberdrola harmless from any damage or economic responsibility resulting directly or indirectly from the accidents that may occur as a consequence of the execution of the Work or Service.

6.10.6 The Contractor shall ensure that its subcontractors or assignees it subcontracts for the execution of the Works or Services, if that is the case, comply with the insurance and social security obligations set forth in the Contractual Documentation, and hence, that such subcontractors and assignees take out and maintain the required insurance policies. The Contractor shall be responsible against Iberdrola of any failure by the subcontractors or assignees to comply with the referred obligations.

6.10.7 The risks, obligations and responsibilities of the Contractor under and/or pursuant the Contract or Accepted Order are not limited to taking out the insurance policies referred to in this clause. For avoidance of doubt, the Contractor's liability shall not be limited or restricted to the amounts insured and/or recovered and/or coverages insured under any insurance policies maintained by the Contractor.

7. Economic conditions

7.1 Prices

7.1.1 The prices set forth in the Contractual Documentation shall be considered as the total and final price and shall include any kind of expenses and charges directly or indirectly necessary for the execution of the Works or Services. All the prices shall be indicated in Mexican Pesos.

Prices shall be broken down into (i) the price of the Works or Services and (ii) VAT and other taxes, where applicable.

7.1.2 Should Iberdrola consider it convenient or necessary to introduce changes in a Work or Service not expressly set forth in the Contractual Documentation or which represent a variation in the scope of the Contract or Accepted Order, so that an additional price has not been taken into account, the Contractor shall execute such additional Work or Service and its price shall be agreed by the parties on the basis of the breakdown of prices for similar Works

and Services. The completion of the new Work or Service unit shall not be subject to formalisation of such agreement on the price and shall be carried out beforehand if so required due to urgency. The parties shall agree the additional price as soon as possible and formalise the documentation corresponding to the variations so agreed.

7.1.3 The prices shall be considered fixed and not subject to review. However, for Works and Services with an execution term over twelve (12) months, price review clauses may be agreed.

7.1.4 The prices shall be set preferably using the "unit price" or "lump sum" system. The contractual documentation shall lay down the modality chosen for each particular case.

7.2 Invoicing

7.2.1 Original invoices shall be sent to Iberdrola's address indicated in the Contractual Documentation and they shall meet the requirements set forth in applicable legislation and shall expressly include the Contract or Accepted Order reference number to which they correspond and the taxable amount, retention, and where applicable, VAT amount.

7.3.2 Under no circumstances may invoices be issued based only on the execution of the Contract or Accepted Order.

7.3.3 The date of each invoice shall be the effective reception date of the relevant Work or Service, and shall not be prior to the date on which, in accordance with the Contractual Documentation, it is to be issued. Invoices may only be issued for Works and Services received in accordance with the abovementioned conditions of execution.

7.2.4 On final reception of the complete Work or Service to Iberdrola's satisfaction, the Contractor shall present the estimate and, subsequently, the corresponding invoice for Iberdrola's acceptance. The Works or Services shall be invoiced upon completion as long as the term of execution is equal to or less than three (3) months. Otherwise, partial Works or Services certificates associated with the fulfilment of the schedule or milestones agreed in the Contractual Documentation may be issued, in which case, one invoice shall be issued for each partial certificate.

7.2.5 The Contractor shall send to Iberdrola the referred estimate corresponding to a Work or Service that has been completed not later than one (1) month after such completion.

7.2.6 The invoices generated by the price review, where applicable, shall be issued separately and they shall include details of the application of the agreed review formulas, as well as their official documentary evidence and justification.

Unless specified otherwise on the Contractual Documentation, provisional reviews or reviews on account shall not be invoiced. Therefore, until the final official indexes are available for the respective contractual review date, no invoice shall not be issued.

7.2.7 Invoices that do not meet any of the above requirements or those which the Contractor issues without the relevant Contractual Documentation shall not be accepted and shall be returned. The partial non-fulfilment of any of the relevant obligations shall be considered as a failure to comply with all of them.

7.2.8 Items may be invoiced through the auto- invoicing system as long as the parties so agree in the Contractual Documentation.

7.2.9 The payment of the invoices shall not release the Contractor from any of his responsibilities or obligations under the Contractual Documentation.

7.3 Payments

7.3.1 All payments shall be made in accordance with the terms and conditions set forth in the Contractual Documentation. The effective date of payment of the invoice shall be the first payment date so established in the Iberdrola Group Mexico's administrative calendar after the invoice becomes due. The aforementioned administrative calendar shall establish at least one (1) payment day every month.

Such payments shall only be made to the Contractor. At Iberdrola's convenience, it will be done by transfer or check. If payment is made by transfer, it shall always be made to a bank account owned by the Contractor and opened, either in the country where the Contractor or the company of the Iberdrola group that hired the Work and Service have its registered office, or in the country where the delivery of the Work and Service has been made. If payment is made by check, it shall be the nominative and the Contractor undertakes to deposit it in a bank account opened under its name in a country that does not have the consideration of tax haven according to applicable law.

7.3.2 Should Iberdrola realise that the Contractor is in breach of his obligations in such a way that it may lead to liability or other direct action against Iberdrola, regardless of whether or not the Contract or the Accepted Order is executed, and as soon as he is aware of such circumstance, Iberdrola may retain all the payments pending to be made to the Contractor in an amount that is sufficient to cover such liabilities; he may also pay such liabilities on the account of the Contractor.

7.3.3 Iberdrola shall be entitled to withhold and offset any pending payment to the Contractor from the amount that the Contractor owes to Iberdrola or any of the companies of the Iberdrola Group. These shall comprise any company directly or indirectly controlled by Iberdrola, S.A.

This compensation and retention right may be exercised immediately upon the Contractor failure to fulfil any of his payment obligations referred above.

7.3.4 Payment of the price does not imply Iberdrola's acknowledgment of the Contractor having fulfilled all its obligations under the Contract or Accepted Order or any waive of any rights Iberdrola might hold hereunder.

7.3.5 The Contractor shall only be entitled to assign its obligations or collection rights previous consent of Iberdrola.

7.4 Fulfilment Guarantee

The Contractor and Iberdrola hereby agree that as security for the Contractor complying with and fulfilling all its obligations against Iberdrola under the Contractual Documentation, Iberdrola shall deduct from each payment not considered as an advance payment, ten percent (10%) of the relevant amount (the “**Fulfilment Guarantee**”).

Iberdrola may accept to replace such deduction by the delivery of the Contractor to Iberdrola of either (i) a letter of credit or (ii) a deposit at the commencement of the execution of the Works and Services issued by a financial entity accepted by Iberdrola, where the relevant expenses shall be on the Contractor's account.

The letter of credit or the deposit terms and conditions shall expressly state the following:

- a. Its irrevocable character, excluding the benefit of discussion, division and order.
- b. Its first demand guarantee nature.
- c. The guarantor shall be a jointly and severally responsible with the Contractor should the guarantee be executed
- d. The term of validity in accordance with the Contractual Documentation.

Cancellations shall only be made after Iberdrola has issued his written consent.

7.5 Penalties

7.5.1 Breach of health and safety labour conditions.

If Iberdrola becomes aware of any failure by or on behalf of the Contractor to comply with the specifications and regulation governing the health and safety labour conditions set out in or pursuant to the Contractual Documentation and/or under applicable laws, Iberdrola shall notify the Contractor and the Contractor shall immediately stop the performance of the Works and Services until the faults are corrected and the performance can be continued properly. No payment shall be made during this period and dates scheduled for the completion of the corresponding Work or Service shall not be affected.

Any failure by or behalf of the Contractor to comply with the specifications and regulation governing the health and safety labour conditions set out in or pursuant to the Contractual Documentation and/or in applicable law, shall entitle Iberdrola to take (at its sole discretion) any one or more of the following measures:

- a) Reduction in the scope of the Works and Services to be performed by the Contractor pursuant the Contract o Accepted Order.
- b) Imposition on the Contractor of a Penalty, the amount of which to be determined by Iberdrola in accordance with the materiality of the breach. The penalty shall be an amount between ten percent (10%) and thirty percent (30%) of the invoices corresponding to the last month, and such amount shall be deducted from any

pending payments to the Contractor or, if no such payments are pending, payable by the Contractor as a debt to Iberdrola.

- c) Temporary removal of the Contractor from Iberdrola's classified contractor list.
- d) Termination of all or part of the Contract or the Accepted Order in the event of continuing or material breach and definitive removal of the Contractor from Iberdrola's classified Contractor list.

The Contractor shall also be penalised with amounts of between the range five per cent (5%) and ten per cent (10%) of the bills of the corresponding months if the Contractor fails to provide any information requested by Iberdrola pursuant to the Contractual Documentation in connection with:

- a) complaints from third parties regarding any aspect of the Works and Services carried out; and/or
- b) incidents or accidents involving its Personnel during the performance of any part of the Works and Services.

7.5.2 Breach of the execution of the Time Schedule.

7.5.2.1 The Time Schedule and any other performance deadlines of the Works and Services are an essential part of the Contract or Accepted Order. Without prejudice to Iberdrola's other rights and remedies under or/and pursuant to the Contractual Documentation and/or at applicable legislation, should the Contractor fail to fulfil such Time Schedule or execution deadlines so established in the Contractual Documentation or notified by Iberdrola, , the Contractor shall pay to Iberdrola, as a penalty for the delay (the "Delay Penalty"), an amount equal to one percent (1%) of the final total price of the Works and Services for each full calendar week's delay.

Such Delay Penalty shall never exceed fifteen percent (15%) of the final total price of the Works and Services, defined as the initially agreed price plus any adjustments or reviews carried out according with the terms hereunder.

Should the Contractor not cure the breach referred to in this clause in a reasonable cure period as determined by Iberdrola, the Delay Penalty set forth above shall be firm and effective.

Notwithstanding the foregoing, if the damages caused to Iberdrola as a result of the delay can be quantified and they represent an amount that is higher than the Delay Penalty calculated in accordance with the above, Iberdrola may choose between requesting payment of the Delay Penalty or payment of damages.

Regardless of the application of the above paragraphs, should any part of the Works or Services not be completed within the timelines set out in or pursuant to the Contractual Documentation, any loss, penalty, claim or action suffered or incurred by Iberdrola to a third party due to breach of applicable contractual commitments to third parties or discount suffered by Iberdrola due to breach of applicable legal revisions or contractual commitments with third parties, directly related to the Work or Service shall be fully assumed by the

Contractor.

7.5.2.2 Iberdrola is allowed to deduct any Delay Penalty due from the payment of any pending invoices.

7.5.2.3 Iberdrola reserves the right to establish any other sort of penalty, provided that they are expressly set forth in the Contractual Documentation.

7.6 Taxes. Duties

7.6.1 All the taxes, duties, compensation quotas, contributions and public prices resulting from the execution of the Contract or the Accepted Order shall be on the account of the Contractor, except for those which correspond to Iberdrola in accordance with applicable legislation.

7.6.2 Iberdrola and the Contractor shall co-operate on obtaining the exemptions and other tax benefits that apply to the execution of the Works and Services and they shall further undertake to jointly establish, together with Iberdrola, the best way for the determining thereof. When, due to the lack of diligence or any other reason attributable to the Contractor, Iberdrola loses a tax benefit applicable to the execution of the Works and Services, Iberdrola may discount the amount relevant to such benefit from the agreed price.

8. Assignment and subcontracting

8.1 Neither the Contractual Documentation nor any of the rights, interests or obligations hereunder shall be assigned, subcontracted or otherwise transferred by the Contractor without the prior written consent of Iberdrola. Iberdrola's prior approval shall be required with regards (i) the assignee or subcontractor and (ii) the scope of the Works and Services subcontracted or assigned.

Iberdrola is allowed to assign, subcontract or otherwise transfer the Contractual Documentation or any rights, obligations or interests thereunder to any other company belonging to its group.

8.2 The Contractor shall expressly indicate in the contract or other documentation executed with the assignee or subcontractor the latter's obligation of meeting all the requirements set forth in the Contractual Documentation, indicating the technical and quality requirements, terms of execution, as well as Iberdrola's right to have access to the assignee's or the subcontractor's facilities, and to obtain all the documentation that certifies the above.

In addition, the Contractor shall expressly include in the contract or other documentation executed with the subcontractor the latter's waiver of any action against Iberdrola derived from the Contract or Accepted Order or from the subcontracting agreement.

8.3 Should the Contractor wish to subcontract Works or Services additional to that set forth in the Contractual Documentation or modify the list of possible assignees or subcontractors, it shall need prior written authorisation from Iberdrola.

Any assignee or subcontractor shall have to prove and give evidence of the fulfilment of and compliance with relevant and required technical qualification for carrying out the subcontracted Work or Service, if so requested by Iberdrola.

8.4 The Contractor shall be the only party to which Iberdrola is responsible (in accordance with the terms of the Contractual Documentation) in connection with the performance of the Works and Services.

In the event that Iberdrola provides its prior written consent to any proposed subcontracting by the Contractor in accordance with this clause 8, the Contractor acknowledges and agrees that such consent shall not relieve the Contractor from any of its obligations under and/or pursuant to the Contract or Accepted Order and the Contractor shall remain responsible for all acts and omissions of its permitted sub-contractors and all Personnel, whose acts and omissions shall be deemed to be acts and omissions of the Contractor. An obligation on the Contractor under and/or pursuant to the Contract or Accepted Order to do, or to refrain from doing, any act or thing shall include an obligation upon the Contractor to procure that all sub-contractors and Personnel also do, or refrain from doing, such act or thing.

9. Confidential information

9.1 The Contractor undertakes keep absolutely confidential all the information obtained from Iberdrola (whether verbally or in writing) with regard to the Works or Services or the Contractual Documentation, including, by way of example but not limited to, the request for Bid, the Bid, the Accepted Order or the Contract, these GTC, Iberdrola's customers, personnel, suppliers products, operations, methodologies, processes, developments, know-how, business affairs and any information related to the Contractual Documentation (the "Confidential Information"). All the information, to which Seller has access, will be considered as a trade secret pursuant to the Article 82 of the Industrial Property Law in force.

It will not be considered Confidential Information the information that:

- (i) is or becomes, through no improper action or inaction by the Contractor, generally available to the public; or
- (ii) was in the Contractor's possession or known by it, without restriction, prior to receipt from the Iberdrola, provided that the Contractor comply with restrictions imposed thereon by third parties; or
- (iii) was, to the best of its knowledge, rightfully disclosed to the Contractor by a third party without restriction; or
- (iv) was independently developed without use of any Confidential Information by the Contractor.

In the event the Contractor is requested or becomes legally compelled (including, without limitation, by oral questions, interrogatories, requests for Confidential Information or documents, subpoena, criminal, public or civil investigative demand or similar process) to disclose any of the Confidential Information, as far as legally permitted, it will provide Iberdrola with prompt written notice so that they may seek (in co-operation and assistance) a protective order or other appropriate remedy to prevent such disclosure and/or waive compliance with the provisions of this clause.

In the event that such protective order or other remedy is not obtained or the urgency of the matter does not allow to wait, the Contractor will furnish only that portion of the Confidential Information which its legal advisors advise is legally compelled to disclose and will exercise its best efforts to obtain an appropriate remedy or other assurance that confidential treatment will be given to the Confidential Information.

In the absence of any specific instruction from any administrative authority or court of competent jurisdiction, any decision as to what portion of the Confidential Information is legally required to be furnished will be made by the Contractor in consultation with Iberdrola.

9.2 The Contractor shall be liable in the event that any of its shareholders, directors, Personnel, managers, assignees, subcontractors and advisers (hereinafter, the "Representatives") who have access to the Confidential Information fail to comply the confidentiality obligation set forth in this clause, without prejudice of Iberdrola's right to file legal action against any of them to defend his interests .

The Contractor hereby ensures and guarantees (i) that the Confidential Information which has been provided to it or to its Representatives is protected with the highest security measures and (ii) that the Contractor shall, and procure that its Representatives shall, take the required degree of care and carry out all necessary actions for complying with the confidentiality undertakings assumed by virtue of these confidentiality provisions

9.3 This obligation to confidentiality shall remain in force throughout the term of the Contract or Accepted Order and for a period of five (5) years after the termination of thereof.

The Contractor shall indemnify Iberdrola against all losses, expenses, costs, liabilities and damages that may arise directly or indirectly from any breach of this confidentiality obligation or the unauthorised disclosure or use of the Confidential Information or any part of it in breach of these provisions by the Contractor or its Representatives.

10. Personal data

10.1 The parties undertake to fully comply with all applicable rules a legislation concerning data protection with respect to that personal data of the other party they have access to, and shall either return or destroy such information and data upon termination of the

Contractual Documentation.

10.2 The parties shall take all technical and organizational measures necessary, especially those established by applicable legislation and standards, for the protection of personal data and avoid their alteration, loss or unauthorized processing or access.

11. Suspension and Termination

11.1 Suspension of the Contract or Accepted Order

11.1.1 In the event that Iberdrola is entitled to terminate the Contract or the Accepted Order in accordance with its terms, Iberdrola may (at its sole option and without prejudice to its rights under clause 11.2, which shall subsist during any period of suspension) suspend the Contractor's performance of all or any part of the performance of the Works and Services for such period as Iberdrola may consider appropriate. Iberdrola shall not be obliged to pay the prices and/or any other costs, fees, charges or other amounts to the Contractor during any period of suspension pursuant to this clause 11.1.1.

11.1.2 Without prejudice to clause 11.1.1, if Iberdrola considers it necessary or is obliged to request the temporary suspension of all or a part of a specific Contract or Accepted Order in any circumstances other than those set out in clause 11.1.1, Iberdrola shall notify the situation to the Contractor in writing, explaining the reason and the estimated time of the suspension. The Contractor shall immediately suspend the execution of the Work or Service in accordance with the terms of the notification provided by the Iberdrola pursuant to this clause 11.1.2. The amount of any prices or other fees, charges or expenses payable by Iberdrola to the Contractor during such period of suspension pursuant to this clause 11.1.2 shall be agreed between the Parties (both acting reasonably and in good faith) as soon as reasonably practicable after the issue of Iberdrola's notice pursuant to this clause 11.1.2.

Iberdrola shall pay the Contractor the finished Work or Service and that part which is at an advanced status when the suspension is notified.

The Contractor recognizes and accepts that the exercise of this right by Iberdrola shall not give rise to any additional payment or retribution for any concept.

11.2 Termination of the Contract or the Accepted Order

11.2.1 The Contract or the Accepted Order may be terminated, wholly or partially, by mutual agreement between the parties.

In this case, the parties shall execute the termination agreement in writing and the Contractor shall immediately interrupt all the Works or Services in progress in accordance with the aforementioned termination agreement, as well as stocking up with new materials. Iberdrola shall pay to the Contractor the finished work or that part which is at an advanced status when the termination is notified.

11.2.2 The Contract or the Accepted Order may be freely terminated by Iberdrola, wholly or partially, by means of notice sent to the Contractor, and the Contractor shall not be entitled to any indemnification, penalty or liability, in the following cases:

- a) Bankruptcy proceedings, dissolution or death of the Contractor.
- b) Breach by the Contractor of the legislation and standards applicable to the Contract or the Accepted Order.
- c) Reiterated and continuing failure by the Contractor to comply with Iberdrola's instructions or any obligations or commitments set forth in the Contractual Documentation.
- d) The Contractor subcontracts all or part of the Works or Services without the prior authorisation of Iberdrola.
- e) When, for reasons attributable to the Contractor, the execution of the Works or Services is suspended or stopped or there is no continuity or due diligence in the execution thereof, including when such events are due to strikes or conflicts that are beyond the scope of the Contractor's company.
- f) When completion exceeds the contractual deadline agreed, causing damages to Iberdrola.
- g) For any other material or reiterated circumstance that represents the breach of the Contractor's obligations under the Contractual Documentation or which prevents or hinders the completion of the Works and Services.
- h) When so ordered by any administrative or judicial authority or legally required by any third party.
- i) With at least six (6) months prior written notice, with no need of justification or cause, sent to the Contractor, provided that the Contract or Accepted Order so terminated have a term above six (6) months.
- j) Due to any breach by the Contractor of the provisions set forth in clause 13.9 or 13.10 of these GTC.
- k) the Contractor ceases, or threatens to cease, to carry on all or any part of its business;
- l) the Contractor disposes of, or threatens to dispose, of all or any part of its business; and/or
- m) Iberdrola, acting reasonably, considers that any conduct, act, omission or default of the Contractor (or any of its Personnel, staff or sub-contractors) is prejudicial to the commercial interests and/or reputation of Iberdrola;
- n) In the event of material changes in the financial, debt or capital markets, rating downgrade or similar circumstances or events which could affect the liquidity, solvency or networth position of Iberdrola, in such case with prior written notice sent at least fifteen (15) calendar days in advance of the proposed termination date.

On receiving termination notice issued by Iberdrola, the Contractor shall stop all the work and activity related to the relevant Works or Services, shall on request by Iberdrola return or supply to the other all documents, data and other material in its possession containing any Confidential Information.

Where applicable, Iberdrola shall evaluate the damages suffered due to the Contractor incurring in any of the causes set forth above, and the Contractor shall indemnify Iberdrola for such damages.

Expiry or termination of the Contract or Accepted Order for whatever reason shall not affect the accrued rights of the parties arising out of the Contract or Accepted Order as at the date of expiry or termination and, in particular, the right to recover damages from the other nor shall expiry or termination affect the continuance in force of any provision contained within the Contract or Accepted Order which is expressly or by implication intended to continue in force on or after such expiry or termination including clauses 2, 4.3, 4.6, 4.7, 5, 6, 8, 9, 10, 11.3, 12 and 14 which shall survive termination and/or expiry of the Contract or Accepted Order and shall remain in full force and effect.

12. Indemnity

The Contractor hereby agrees to defend, indemnify, and hold Iberdrola and its affiliates and their respective personnel harmless from any civil or criminal action, and any losses, liabilities, damages, injuries, costs, charges, claims and expenses (including all court costs and attorneys fees), caused by, arising from, or relating to Contractor's (including the Contractor's employees, contractors and agents) direct or indirect compliance with and/or breach of any of the Contractual Documentation, intellectual property rights or any applicable legislation, regardless of whether such breach is the result of Contractor's willful or negligent act or omission (or any of its subcontractors or assignees).

In any case, the Contractor shall be responsible for all damages suffered during the execution of the Work or Service either by the items related to the purpose of the Contract or the Accepted Order or those on which the Work or Service is being carried out, or others, regardless if they are owned by Iberdrola or third parties and whatever their nature and size is.

The Contractor shall indemnify and hold Iberdrola harmless from any damage or economic responsibility resulting directly or indirectly from the accidents that may occur as a consequence of the execution of the Work or Service.

13. Miscellaneous

13.1 Notices

All notices, requests and any other communications to any party hereunder shall be in writing and shall be deemed given if (i) delivered personally, (ii) sent by fax or e-mail (provided that it is confirmed), (iii) sent by courier (providing proof of delivery) to the address expressly authorised by the parties in the Contractual Documentation

13.2 Amendments or supplements

The Contractual Documentation or any part thereof may be amended or supplemented in any and all respects, by written agreement between the parties.

13.3. Publicity

Any use, publication or printing by the Contractor of the trade names, trade marks, emblems, logotypes, etc. of Iberdrola or its partners shall require prior approval in writing by Iberdrola.

13.4 Codes and standards

13.4.1 Except for the specific provisions set forth in the Contractual Documentation, the Works and Services referred to therein shall be executed, inspected and tested in accordance with the applicable legislation of the United States of Mexico.

13.4.2 Prudent Industry Practices shall be followed for the design, manufacturing, inspection and test processes with regard to any provision not regulated by the applicable legislation and standards.

13.5 Language and units of measure

13.5.1 The Contractual Documentation, all the documents, plans and notifications by and between the Contractor and Iberdrola and the instructions and specifications plates shall be in Spanish.

13.5.2 The units of authorisation issued by the General Standards Department of the Department of the Economy shall be used in all the documents.

13.6 Licences, permits and authorisations

13.6.1 Each party shall obtain and maintain, on his own account, the licences, permits and authorisations required to fulfil its contractual obligations.

13.6.2 Each party shall provide the other with reasonable assistance for obtaining and maintaining such licences, permits and authorisations.

13.6.3 In the cases of importation, both parties, regardless of the established delivery condition, shall obtain and maintain, on their own account, any exportation and importation licences, permits and authorisations required by any government authority in their respective countries.

13.7 Force majeure

In any case, the events having the consideration of force majeure shall include, without limitation, the following:

- Earthquakes, tidal waves, fires floods or other natural disasters officially declared as catastrophes by the competent authorities and in accordance with applicable legislation.
- Destruction caused by terrorism or produced during war, sedition or riots.
- Legal strikes that surpass the scope of the Contractor's company and whose finalisation does not depend on his decision.

In all cases of force majeure, the affected parties shall notify the other party in writing not later than seven (7) days the event of force majeure occurs. In these cases, the parties shall be release of their respective obligations under the Contractual Documentation for so long as the force majeure event remains.

Iberdrola shall be entitled to terminate the Contract or Accepted Order (without Iberdrola having any liability to the Contractor) with immediate effect by notice to the Contractor in the event that a force majeure event affects the Contractor's performance of all or any significant part of its obligations under the Contract for a period of 7 days or more.

13.8 Severability. Waivers

13.8.1 If any term or provision of these GTC or the Contractual Documentation is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions therein shall nevertheless remain in force and effect. Upon such determination, the parties shall negotiate in good faith to modify these GTC or Contractual Documentation so as to achieve the original intention of the parties as closely as possible to the fullest extent permitted by law, to the end that the object of the agreement is fulfilled to the extent possible.

13.8.2 Any right, term or conditions of these GTC or the Contractual Documentation may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by the party waiving such right, term or condition. Notwithstanding the foregoing, no failure or delay by any party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise preclude any other further exercise thereof or the exercise of any other right hereunder.

13.9 Corporate social responsibility of the Contractor

In complying with the provisions of this GTC and the Contractual Documentation and carrying out the execution of the Works and Services, the Contractor shall procure:

- a) To promote good practices for support and respect for the protection of human rights;
- b) To avoid involvement of any kind in the abuse of the said rights;
- c) To respect the freedom of union membership and the right to collective bargaining, subject to applicable legislation;

- d) To eliminate all kinds of forced labour, understood as any work or service required of an individual under the threat of any penalty and for which the individual does not voluntarily offer his services;
- e) To avoid any form of child labour in his organisation, observing the minimum age for contracting personnel in accordance with current applicable legislation and implementing the appropriate, reliable mechanisms for verifying the age of his employees;
- f) To eliminate all discrimination in employment and occupation. For these purposes, it shall be considered as discrimination any distinction, exclusion or preference based on race, colour, gender, religion, political leaning, national or social origin whose purpose is to cancel or alter equal opportunities in employment and occupation;
- g) To keep a preventive focus on environmental issues in order to achieve sustainable development, limiting the activities whose impact on the environment is questionable;
- h) To implement responsible corporate environmental practices;
- i) To encourage the development and diffusion of environment-friendly technologies; and
- j) To work against all forms of corruption, including extortion and bribery. Accordingly, corruption shall be understood as the abuse of power for private gain.

The Contractor undertakes to comply with current applicable legislation governing the aforementioned principles.

The Contractor undertakes to notify Iberdrola of any situation in which the breach of the aforementioned principles is noticed, as well as the plan for correcting the situation.

The Contractor shall establish the aforementioned principles as part of the terms and conditions of any agreement it enters into with any subcontractor or assignee.

At all times during the term of the Contractual Documentation, the Contractor shall allow Iberdrola's personnel to review the level of fulfilment with the principles established in this clause.

13.10 Business Ethics.

The Contractor represents, warrants and undertakes as follows:

- (a) General
 - i. The Contractor is duly organized and validly existing under the laws of the state of its organization and has all requisite legal power and authority to execute the Contractual Documentation and carry out its obligations thereunder.
 - ii. The Contractor is currently and will in the future be in compliance with all relevant laws and regulations applicable to its performance under the contract, including but not limited to any anti-bribery laws.
 - iii. The Contractor will maintain in full force and effect all licenses and permits required for its performance under the Contractual Documentation.

- iv. The Contractor further agrees to cooperate fully in the collection, compilation and maintenance of data within its possession or control as may be required to be reported by Iberdrola under any statutes, regulations, orders or other contractual commitments.
 - v. No director, officer, employee or Representative of the Contractor has (or will have during the term of the contract) any personal or business interest that would present an actual, potential or apparent conflict of interest with the performance of the Contractual Documentation as determined by Iberdrola in its sole discretion. Conflicts of interest include, but are not limited to: (i) gifts or payments made directly or indirectly to an existing employee of Iberdrola, its parents or affiliates, by the Contractor at any time prior to, during, or following the term of the Contractual Documentation; (ii) having an existing employee of Iberdrola serve as officer, director, consultant, advisor, representative or be an employee of the Contractor; or (iii) any officer, director, employee, related legal entity or representative of the Contractor being related in any way (personal, business interest or otherwise) to an employee of Iberdrola without the Contractor first disclosing such relationship to Iberdrola in writing prior to the execution of the Contractual Documentation.
- (b) Standard of Conduct. The Contractor will at all times employ the highest standards of honesty, integrity and fair dealing in rendering its services under the Contractual Documentation. Further, the Contractor will make no representations or guarantees concerning Iberdrola or its services that are false, misleading or inconsistent with Iberdrola's instructions to the Contractor or with representations contained in any promotional materials, literature, manuals or price lists published and supplied by Iberdrola from time to time and, further, will do nothing to damage the reputation of Iberdrola or its services.
- (c) Reviews of the Contractor. The Contractor allows Iberdrola to carry out at any time of a background review of the Contractor including, but not limited to, financial and potential criminal matters, and it hereby expressly ratifies any such reviews conducted by Iberdrola prior to the execution of the Contractual Documentation. Upon Iberdrola's request, the Contractor agrees to provide Iberdrola written notice of the address, telephone number and contact information for its business offices.
- (d) Notification. The Contractor will notify Iberdrola in writing immediately upon the occurrence of any of the following events: (1) any claim or notification made or threatened against or in relation to the Contractor, Iberdrola or any other party with respect to the Works or Services; (2) any change in the ownership of the Contractor; or (3) any action or event that may cause the Contractor to become involved in a conflict of interest with Iberdrola.
- (e) Anti-Corruption. The Contractor represents, warrants and undertakes that:
- i. it has and will continue to comply with all applicable anti-corruption laws. The Contractor agrees that it has not and will not, directly or indirectly, offer, promise, pay, authorize or give, money or anything of value to corruptly (1) influence any official act or decision, in any way relating to the Contractual Documentation or any related activity, of any Covered Party, any government, any government-owned or controlled entity or any government instrumentality; (2) secure any improper advantage in connection with the

Contractual Documentation or any related activity; or (3) obtain or retain business, or to direct business to any person or entity, in connection with the Contractual Documentation or any related activity;

For purposes of the Contractual Documentation, a "Covered Party" includes any official, officer, employee or representative of any: (i) federal, state, provincial, county or municipal state, government or any department or agency thereof; (ii) public international organization or any department or agency thereof; or (iii) company or other entity owned or controlled by any government, including state-owned, operated or controlled utilities or other energy-related concerns; as well as any political party or party official, or any candidate for political office.

- ii. it has maintained and agrees that it will maintain complete and accurate books and records related to the Contractual Documentation or any related activity, including records of payments to any third parties, in accordance with generally accepted accounting principles. The Contractor agrees that it will grant Iberdrola access to such books and records for inspection from time to time upon reasonable notice by Iberdrola. Such notice shall be deemed reasonable if it occurs at least fourteen (14) calendar days prior to the noticed inspection date.
- iii. no political contributions or charitable donations or other payments of anything of value have been or will be given, offered, promised or paid by the Contractor or at the request of any Covered Party that is in any way related to the Contractual Documentation or any related activity, without Iberdrola's prior written approval.
- iv. If Iberdrola reasonably and in good faith believes that the Contractor has violated any of the anti-corruption terms of this GTC, the Contractor will cooperate in good faith with Iberdrola to determine whether such a breach has occurred.
- v. the Parties hereby acknowledge and agree that to the extent the Contractor violates any applicable anti-corruption law, or otherwise breaches the Contractual Documentation, Iberdrola will have the right to unilaterally terminate the Contractual Documentation without penalty. If the Contractor breaches the Contractual Documentation, Iberdrola will be entitled to a full refund of any and all remuneration paid to the Contractor thereunder.
- vi. Either party may disclose the terms of the Contractual Documentation to relevant government entities, outside counsel or auditors for the purpose of complying with applicable laws and regulations, which may include reporting anticorruption violations to any relevant government officials.
- vii. to the extent permitted by law, the Contractor hereby agrees to defend, indemnify, and hold Iberdrola and its affiliates harmless from any civil or criminal action, including but not limited to any sanctions, fines, or penalties of any kind, plus all court costs and attorneys fees, caused by, arising from, or relating to Contractor's breach of any of the Contractual Documentation or these anti-bribery terms, regardless of whether such breach is the result of Contractor's willful or negligent act or omission.

Non-compliance with any of the terms of this clause will constitute a material breach of for

the purposes of these GTC.

13.11. Intellectual property rights

The Contractor acknowledges that Iberdrola is and will be the exclusive worldwide owner and holder of all the exploitation of any intellectual property rights the Contract or Accepted Order is referred to for an unlimited term, and that Iberdrola is entitled to assign (global or partial, exclusive or non-exclusive, free or onerous, limited or unlimited) these rights to any third party by any exploitation or disclosure means. The Contractor is also obliged to sign any necessary document for an effective assignment of those rights this clause is referred to, as it is stated and approved in the intellectual property laws in force for the territory as well as for an inscription of this assignment either in a patent office or in an intellectual property registry.

The Contractor warrants (i) the authorship and the originality of those intellectual property results which may be derived from the Contract or Accepted Order, (ii) that the rights this clause is referred to may be put into use in a pacific way and (iii) that it is not and will not be bound in the future by any kind of commitment or burden. Iberdrola is and will not be liable for a claim a third party may bring up about the authorship, originality and ownership of those rights which are assigned to Iberdrola pursuant to the terms of this document and the Contractor will be the liable entity for the actions any third party may bring up.

13.12 Environmental Conditions

The Contractor undertakes to fulfill as many duties as fall to it by application of current environmental legislation, notwithstanding any modifications which may take place in the future concerning this area. In particular, the Contractor must comply with environmental legislation concerning packaging, labeling and return of packaging of products, and transport of hazardous substances and preparations.

These examples are provided as illustrative, not exhaustive.

As far as possible, the Contractor must supply products or materials with ecologically-sound labeling, and must reuse and recycle waste resulting from the products or materials supplied.

13.13 Law and Jurisdiction

These GTC and the Contractual Documentation shall be governed and interpreted based on the applicable federal laws of the United Mexican States, any dispute, claim or action are subject to the laws and courts of Mexico City, expressly waiving any other jurisdiction by reason of present or future domiciles may correspond. .