



# PURCHASE ORDER TERMS AND CONDITIONS MÉXICO

These Purchase Order Terms and Conditions (“Terms and Conditions”) are hereby incorporated in and form a part of the Purchase Order for the provision of Goods or performance of Services to which they are attached or in which they are incorporated by reference. For the purpose of these Terms and Conditions, the “Buyer” shall be the entity acquiring Goods or Services pursuant to the Purchase Order and the term “Seller” shall refer to any party which, by means of the Purchase Order, contracts with Buyer to provide Goods or perform Services (the “Work”). Collectively, Buyer and Seller may be referred to as the “Parties”, or individually as a “Party”. Acceptance of these Terms and Conditions may only be on the terms stated herein, except as otherwise specifically authorized in writing by Buyer and shall represent a binding obligation between the Parties. Except as provided herein, it is a condition that any unauthorized modification by Seller of the Terms and Conditions herein contained shall have no force or effect. Only an authorized agent of Buyer may issue a Purchase Order.

For purposes of these Terms and Conditions, “Goods” shall mean the merchandise, equipment, material, or supplies for which a Purchase Order has been issued. “Services” shall mean all tasks, activities, functions, solutions, assistance, support, or operations provided, performed, or rendered by the Seller for the benefit of the Buyer pursuant to the Purchase Order to which these Terms and Conditions are attached. Services shall be provided at Buyer’s premises according to the address on the Purchase Order (the “Site”). The Seller hereby represents that it has thoroughly inspected and verified the Site where the Services are to be performed, and therefore undertakes to perform the Services with full knowledge of the Site and its physical conditions.

## 1. ACCEPTANCE OF PO

Seller’s written acceptance or confirmation of the Purchase Order, or commencing performance of the Services or shipment of the Goods, shall constitute acceptance of these Terms and Conditions, and a binding contract between Buyer and Seller shall be formed thereby. No additional or inconsistent provision in Seller’s acceptance or confirmation shall be effective unless accepted in writing by an authorized representative of Buyer. Seller’s quotation is incorporated in and is a part of this Agreement only to the extent of specifying the nature and description of the Goods and/or Services ordered, and then only to the extent that such items are consistent with the other terms set forth herein.

## 2. PACKAGING

Seller shall pack and ship Goods to prevent damage, to meet the carrier’s requirements, and in accordance with applicable law and industry standards. Seller will pay expenses incurred in handling due to failure to comply with these terms. All shipments will be accompanied by detailed shipping invoices. Packages and packing material shall not be returned to Seller unless specifically set forth in the Purchase Order. All packages containing Goods, including without limitation, barrels, boxes, bags, crates, drums, kegs, reels, containers, or other packages, shall be tagged or marked with Seller’s name and the Buyer’s Purchase Order number, and if applicable, the Seller’s identification number for the shipped Goods.

## 3. CHANGES

Substitutions of Goods or any change in the prices stated in the Purchase Order shall not be binding on Buyer unless authorized by Buyer in writing, and Buyer shall bear no responsibility for unauthorized substitution of Goods or change in prices under said Purchase Order.

## 4. SHIPPING

(a) Seller will ship Goods in a manner that will achieve Buyer’s delivery date. Invoices, shipping lists and other documents relating to the shipment shall be sent together with the Goods. If Goods are shipped

from abroad and in accordance with the place of delivery set forth in the Purchase Order, Seller shall send a copy of the bill of lading or air waybill, commercial invoice, shipping list and other related documents to Buyer at least five (5) days prior to the arrival of the Goods in the destination country, and Seller shall send the originals of these documents along with the Goods for customs purposes. These documents shall contain the Buyer's Purchase Order number. All shipments shall be made in the name of Seller and all shipping and invoice requirements shall be completed within every particular shipment.

- (b) If the shipping date is estimated at the time of acceptance of these Terms and Conditions, Seller shall notify Buyer's Supply Chain organization as soon as possible when shipment of the order will be made. If Seller cannot deliver all Goods as specified in the Purchase Order, it shall advise Buyer's Supply Chain organization immediately.

## 5. DELIVERY AND PERFORMANCE OF WORK

- (a) Unless expressly stated otherwise in the Purchase Order, all Goods are to be shipped to the Site. Seller shall tender delivery in the manner provided in the Purchase Order or as instructed by an authorized representative of the Buyer at the place of delivery. Seller shall prepay all transportation expenses. Title and risk of loss or damage of the Goods delivered shall pass to the Buyer upon acceptance at Buyer's facility or at the place agreed by the Parties and established in the Purchase Order.
- (b) For the performance of Services, the Seller undertakes to:
  - (i) Comply with Site work regulations, Buyer's applicable safety rules and manuals, applicable safety rules and all applicable federal, state, municipal, local laws and ordinances, including environmental, occupational safety and health laws, as well as all applicable court orders, rules and regulations of any applicable governmental authority;
  - (ii) Perform the Service a) in accordance with the scope of work described in the Purchase Order, b) as agreed herein, the practices, methods, techniques and standards applicable at the time the work is performed: i) are accepted by the energy industry for the engineering, operation and maintenance of power generation facilities of the same or similar size and type as the power generation plant on which the Services are to be provided, ii) in compliance with all materials respecting the manufacturer's engineering designs, construction, testing, operations and maintenance instructions for the equipment involved, and iii) to comply with all Site safety measures (hard hat, safety boots, appropriate clothing, gloves, safety glasses, etc.);
  - (iii) To be solely accountable for (a) all means, methods, techniques and procedures, and (b) the acts and omissions of all its agents and employees;
  - (iv) To enforce strict discipline and good order among its employees at all times, not to interfere with Buyer's other activities at the Site, to keep the Site clean and free of rubbish on a daily basis, upon completion of the performance of the Services, to remove all waste materials (whether hazardous or non-hazardous as stipulated), tools and materials from the Site and to leave it "flawless", agreeing that otherwise, Buyer will deduct the cost of the cleaning service from its invoice;
  - (v) Not to employ any person who does not have the appropriate skills or characteristics to conduct the provision of the Services;
  - (vi) In the event that its employees violate any applicable standard, law or regulation, Buyer shall have the right, acting in good faith, to terminate these Terms and Conditions as stipulated herein;
- (c) In the event that the Seller fails to start the Work within the time specified, or having started the Work, abandons it for any reason, suspends or refuses to continue it, or fails in any way to perform it in accordance with the terms of the Terms and Conditions, for a period of five (5) days (unless Seller is prevented from proceeding for reasons beyond its control), Buyer shall have the right to take over the Work and complete it or have it completed by a third party in any reasonable manner, at Seller's cost and expense.

## 6. INSPECTIONS

Buyer will have a reasonable time after receipt of Goods and/or Services and before payment to inspect and test them for compliance. Likewise, Buyer may carry out inspections at Seller's facilities or factory, if deemed necessary or if previously agreed with Seller, to supervise the manufacturing process, assembly of the Goods and/or provision of the Services. Neither payment nor inspection of the Work nor continued use of the Work shall constitute acceptance or a waiver of any of Buyer's rights or remedies, or Seller's warranties.

## 7. ACCEPTANCE AND REJECTION

Buyer reserves the right to accept or reject Work ordered hereunder after the delivery for failure to comply with the requirements of the Purchase Order. In the event of non-compliance, Buyer shall have the right, at its discretion, to (a) reject the Work and cancel the affected Purchase Order, (b) require that such Work be replaced or repaired, where possible, within a reasonable period, at Seller's risk and expense (including shipping charges), or (c) if Buyer has already paid Seller for the Work, require Seller to issue a refund or credit to Buyer for the amount paid for the rejected Work. Any notice of rejection issued by Buyer under this Section will include a reasonable description of the deficiencies. In the event that, after acceptance of the Work, the Buyer discovers a defect that could not have been identified through routine inspection, the Buyer may revoke acceptance and said Work will be treated as rejected Work in accordance with this paragraph.

## 8. INVOICING

- (a) Invoices sent for payment without supporting documents or without complying with all tax requirements will not be paid until all the necessary documentation is received. The date of receipt will be determined by the receipt of all final documentation. Only invoices sent by e-mail to the billing address [facturase.mcac@aes.com](mailto:facturase.mcac@aes.com) will be considered as received.
- (b) For Purchase Orders relating to Services, once all the necessary documentation has been sent, the Seller shall send the invoices to the Buyer's Work Manager. In the case of a Purchase Order for Materials, the Seller shall send the invoices to the Buyer's Storekeeper so that the latter can issue the Material Receipt Sheet.
- (c) Invoices shall include the Purchase Order number; otherwise, the invoice will be rejected and the corresponding payment will not be processed. Invoice quantities and values shall match to those indicated in the Purchase Order. Otherwise, Seller shall request Buyer authorize a change order for the Purchase Order before invoicing. Seller shall send only one invoice attachment per electronic submission, ensuring that both files contain the same name (PDF and xml).
- (d) For Sellers not residing in Mexico, only the PDF with the following minimum requirements will be accepted: Buyer's full corporate name as per Purchase Order, federal taxpayer registration (Tax-ID), Seller's address, place and date of issuance, description of Goods or Services and value of Goods or Services.
- (e) If the invoice submitted does not comply with these requirements, Buyer's Accounts Payable department (AP) will send Seller a notification. To avoid duplicate invoices in Buyer's process, Seller shall not send a revised copy of the invoice unless requested by Buyer's AP department. In case any modification to the invoice is required, the invoice will not be entered in its current format (it will be rejected) and the Seller will be notified of the necessary adjustments for its proper submission.

## 9. PAYMENT TERMS

- (a) Unless different payment terms are expressly stated in the Purchase Order to which Terms and Conditions are attached, all proper and complete undisputed invoices submitted to the Buyer shall be paid within forty-five (45) calendar days of receipt of the invoice by the Buyer's Accounts Payable department (AP) and the full acceptance of Work to the Buyer's satisfaction.

- (b) Seller is responsible for obtaining approval of completion of the Work by acceptance of the service by Buyer's Work Manager upon submission of the applicable Service Report, as well as approval of the Services on the Purchase Order in the system which will issue a Service Entry Sheet number. Service Report shall also include the Purchase Order number, name and signature of the Work Manager and date on which it was prepared, in addition to being printed on the Seller company's letterhead.
- (c) Service Report shall be prepared by the Seller, where it shall specify in detail the Work performed, including the number of personnel used for the execution, materials and/or equipment used, period of time in which the project was performed (start date and end date), etc.
- (d) Seller shall notify the Work Manager of the Work completion and the Work Manager shall give acceptance to proceed with payment scheduling.
- (e) Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller under these Terms and Conditions.

## 10. GUARANTEE AND PERFORMANCE BOND

- (a) With respect to Goods, Seller represents and warrants that: (a) the Goods are new and first-class quality, produced with new, never used components, unless otherwise stated in the Purchase Order; (b) the Goods are in good working order, in compliance with the specifications provided in the Purchase Order or other relevant documentation; (c) the Goods are merchantable and fit for the particular purpose specified by the Buyer or otherwise known to Seller; (d) the manufacture and sale of the Goods to the Buyer is in compliance with all applicable international, federal, state, municipal, and local laws, statutes, ordinances, rules, regulations, and orders and are free and clear of any liens; (e) the Goods are free and clear of infringement or misappropriation of intellectual property rights; (f) if the Goods include software code, such coding is current and the Goods do not contain harmful code; (g) it has disclosed to Buyer in writing the existence of third party code, including open source code, included or provided in connection with the Goods and that Seller and the Goods are in compliance with all applicable license agreements for such third party code; and (h) Seller is transferring good and marketable title to the Goods, free and clear of pledges, liens, charges, encumbrances, or claims of any kind. Seller warrants the proper functioning of the Goods in accordance with the terms and conditions herein for a period of one (1) year or for the period established in the original manufacturer's warranty, whichever is longer, from the date of receipt of the Goods by Buyer ("Warranty Period"). If during this Warranty Period, the Goods fail to comply in any manner with this warranty, Seller shall promptly repair, replace, or otherwise make good, at its own expense to the satisfaction of Buyer, any such non-complying Goods. If the Seller is required to replace the Goods, the Warranty Period shall be extended for an additional one (1) year from the date such Goods are repaired or replaced.
- (b) With respect to Services, Seller represents and warrants: (a) that Seller shall perform Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with best industry standards for similar services and shall devote adequate resources to meet its obligations contemplated in the Purchase Order to which these Terms and Conditions are attached; (b) Seller shall perform such Services in compliance with the specification in said Purchase Order (if applicable); (c) any deliverable and the use thereof is free and clear of any infringement or misappropriation of intellectual property rights; and (d) that the performance of Services will not conflict with, or be prohibited in any way by, any other agreement or statutory restriction. Notwithstanding acceptance by Buyer, if, within one (1) year from the date of completion, the Services prove to be inadequate or defective, they shall be promptly re-performed to the standards required by this article by and at the sole expense of Seller. The warranty on re-performed Services shall not expire prior to one (1) year from the date of completion of Seller's corrective action.
- (c) If necessary, Seller will be required to a) deliver to Buyer's Work Manager a performance bond to be specified in the Purchase Order before starting the provision of Services, b) bond for repayment or return of the advance payment, issued by a surety company duly authorized to operate in the United Mexican States, in the case of civil works, a bond for hidden defects, all these bonds, as a guarantee of faithful compliance with the provisions hereof, for the payment of all debts that may exist with persons, companies or corporations with which the Seller may become legally indebted for labor, materials, tools, equipment or services of any nature that it employs or uses for the performance of the Work or hidden defects that may exist or arise in the work. The amount of each bond shall be the

percentage of the Purchase Order specified therein. The text of the bond shall be accepted by the Buyer, so the Seller shall send it for review before its official issuance.

## **11. INDEMNIFICATION AND INTELLECTUAL PROPERTY (IP) LICENSE**

The Seller shall indemnify, defend, and hold harmless Buyer, its Affiliates, and their respective officers, directors, members, employees, agents, representatives, successors and permitted assigns (“Indemnified Parties”) from any and all demands, damages, losses, liabilities, claims, and causes of action, including attorney fees and court costs, arising out of or in connection with alleged misappropriation or infringement of any intellectual property right based on the use or disposition by the Indemnified Parties of the Work. Seller guarantees that it has full right, power and authority to sell the Work ordered, or will have such power, right and authority before the Purchase Order is filled. The Seller grants to Buyer, and the Buyer hereby obtains, an irrevocable, perpetual, worldwide, paid-up, royalty-free license, including the right to grant and authorize sublicenses, under Seller's intellectual property rights, to fully use and enjoy the Work, including, but not limited to, the right to possess and use any and all blueprints, drawings, specifications or other information submitted by Seller either as a part of the Seller's proposal prior to the Purchase Order or in the Seller's performance thereunder. In case the use or enjoyment of any Work is enjoined, the Seller shall at its own expense either (a) procure for the Buyer the right of continued use, (b) replace the same with non-infringing Work of equal capabilities and efficiency, or, if neither is achievable, (c) refund Buyer for the total cost of the loss of use of the Work so enjoined.

## **12. GENERAL INDEMNIFICATION**

- (a) To the fullest extent allowed by law, Seller shall indemnify, defend, and save harmless the Indemnified Parties from and against any and all demands, damages, losses, liabilities, claims, and causes of action, including attorney fees and court costs, arising out of or in connection with the performance or failure to perform by Seller under these Terms and Conditions, including without limitation, any act or omission causing bodily injury, death, or damage to property, or failure to comply with applicable law. Seller further agrees that money due to Seller may be retained by Buyer until all such claims or suits shall have settled in full and evidence to that effect is submitted to the satisfaction of Buyer. This indemnity shall survive delivery of Goods and completion of Services rendered hereunder. Buyer may require Seller to defend any suits concerning the foregoing, whether justified or not, and Buyer shall have the right to hire its own respective counsel.
- (b) Nothing herein shall require indemnification as to any claims against Buyer by its employees arising under applicable workers' compensation law. This indemnity obligation does apply, however, to claims against Buyer by Seller's employees. To the extent that Seller might otherwise be immune from indemnifying Buyer under applicable workers' compensation law, Seller hereby expressly waives this immunity. Moreover, Seller expressly waives any subrogation rights it may have arising from any claim filed by its employees against Buyer for injuries allegedly sustained while performing the Work required under the Purchase Order.
- (c) Seller shall be liable to Buyer, and shall indemnify and hold Buyer harmless, from and against all liens or claims resulting on any of the Goods. Upon request, Seller shall obtain and file with Buyer a release, in a form acceptable to Buyer, of claims of liens and encumbrances and of any mechanics and restrictions to which it may be entitled at any time. Final payment will only occur when Seller has delivered to Buyer a full release of all liens on the Goods, or certificates covering in full all labor and materials for which a lien may be recorded, or a bond satisfactory to Buyer, indemnifying Buyer against any lien.

## **13. OWNERSHIP OF WORK PRODUCT**

All work product, documents, data, drawings, inventions, know-how, information, or materials conceived, discovered, developed, or created by Seller in the performance of these Terms and Conditions (collectively, the “Work Product”) shall be owned exclusively by the Buyer. To the maximum extent possible, any Work Product shall be deemed to be a “work made for hire” and owned exclusively by the Buyer. Seller hereby unconditionally and irrevocably transfers and assigns to the Buyer all right, title and

interest in or to any Work Product. Risk of loss for labor, materials, tools, equipment and Work performed shall remain under Seller's responsibility until the Work is completed and accepted by Buyer, irrespective of whether Buyer has title thereto, in accordance with these Terms and Conditions. The Seller's responsibility shall include materials and equipment delivered or leased by Buyer to Seller in accordance with these Terms and Conditions.

## 14. CONFIDENTIALITY

Except as expressly agreed by the Buyer in writing or in a separate confidentiality agreement between the Parties, Seller shall treat these Terms and Conditions, all Work Product, and all information and materials provided to Seller in connection with the Purchase Order ("Confidential Information"), as strictly confidential in every respect and shall only use such Confidential Information in the performance of the Purchase Order. Seller shall maintain the secrecy of all Confidential Information with the same degree of care that Seller normally undertakes for the protection of its own confidential information, but in any event, no less than reasonable care. Seller shall refrain from any publicity or advertising concerning the provision of any Work hereunder without Buyer's prior written approval. Failure by Seller to abide by its confidentiality obligations shall be considered a breach, which shall permit the Buyer to terminate the Purchase Order immediately, and the Buyer shall incur no further liability with regard thereto. Seller's obligations of confidentiality shall survive completion of the Work, but shall not apply to the extent the Confidential Information is in the public domain through no fault of Seller, or already in the possession of Seller before being known as a result of these Terms and Conditions.

## 15. FORCE MAJEURE

Except for the payment of money when due, if because of Force Majeure (as defined below), either Party is unable to carry out any of its obligations hereunder, then the obligations of the affected Party shall be suspended to the extent made necessary by such Force Majeure and during its continuance, provided however, that the Party giving such notice shall use its reasonable efforts to mitigate the effects of such Force Majeure. "Force Majeure" is defined as an event that was not foreseeable as of the date of execution, was beyond the reasonable control of, and without the fault or negligence of the party affected by the Force Majeure, and which event such party could not have avoided by the exercise of due diligence and reasonable care. Events of Force Majeure may include the following: act of God; explosion; fire; flood; drought; epidemic; earthquake; storm; riot; insurrection; blockade; war or other hostilities; lockout or other industrial disturbance (even if such labor difficulty may have been avoided or may be settled by acceding to the demands of the parties in dispute); act or restraint of governmental authority. Notwithstanding the foregoing, impacts related to the new coronavirus COVID-19 pandemic or material price increases alone cannot and will not be considered causes to declare Force Majeure. Seller shall submit all Force Majeure claims in writing to the Buyer within twenty-four (24) hours of the event for acceptance by the Buyer. Acceptance by the Buyer will not be unreasonably withheld. For the avoidance of doubt, Seller shall not be entitled to a price increase as a result of Force Majeure.

## 16. INSURANCE

- (a) Seller undertakes to submit the Insurance Policies subscribed with companies authorized to operate in the insurance market of the Mexican Republic with the purpose of compensating Buyer and/or third parties for the damages that may arise against them as a direct consequence of the execution of the Purchase Order or failures in the Service that are the responsibility of or clearly attributable to the Seller. The Seller shall, before starting the execution of the Purchase Order, procure the following policies, which are detailed according to the activity to be performed by the Seller:
  - (i) Where the Purchase Order does not require the Seller to enter Buyer's facilities and only covers the preparation of reports, provision of software, remote activities that require access to data or electronic systems of the Buyer, the Seller shall provide the following insurance policies:
    - (1) Professional Civil Liability, with an insured amount with a limit of not less than USD\$250,000 (two hundred and fifty thousand dollars, legal tender in the United States of America), or its

equivalent in local currency. The policy shall include a condition of an extended reporting period of ninety (90) days after the effective date.

- (2) Cyber liability insurance with a limit per event of not less than USD\$1,000,000 (one million dollars, legal tender in the United States of America) or its equivalent in local currency.
- (ii) Where the Purchase Order requires Supplier to enter Buyer's premises, Seller shall provide insurance policies protecting Buyer and Seller from claims for personal injury to third parties and Seller's personnel (including death, disability or incapacity), claims for damage to property of third parties and claims for damage to the environment that may arise during Seller's performance of the Service:
- (1) Social Security for the Seller's employees who are Mexican citizens, with insured amounts and minimum coverage in compliance with the provisions of current local labor laws (IMSS).
  - (2) Personal accident policy, Seller and its specialized personnel, such individuals shall take out, at their own expense, personal accident and death insurance, with minimum coverage required by law in Mexican territory.
  - (3) Vehicle Civil Liability Policy, with minimum coverage required by law in Mexican territory for all owned, rented and/or third-party vehicles that may be used by the Seller for the execution of the Purchase Order.
  - (4) Commercial General Liability Policy, with an insured amount not less than USD 100,000.00 and no more than USD 5,000,000 per occurrence and in the aggregate term. Said policy shall include, but not be limited to, the following coverage clauses:
    - a. Civil Liability for Use of Own and Non-Owned Vehicles, in addition to the civil liability coverage of its vehicle policies
    - b. Contractual Civil Liability
    - c. Sudden, unforeseen and/or accidental contamination and/or pollution
    - d. General Civil Liability of Premises and Operations
    - e. Civil liability arising from the use of cranes and heavy equipment used in the development of the work, if applicable
    - f. Bodily injuries
    - g. Damage to other people's property
    - h. Civil Liability of contractors and specialized personnel
    - i. Employers Liability
    - j. Cross Civil Liability
    - k. Defense Expenses
    - l. Medical Expenses
- (iii) Where the Purchase Order covers the transfer of the Buyer's equipment and merchandise, Seller shall submit the following insurance policy: Cargo and merchandise transportation policy: with an insured amount of not less than USD\$100,000 (One hundred thousand dollars, legal tender in the United States of America) or its equivalent in local currency that extends to cover third party goods while they are being transported. Said policy shall include, but not be limited to, the following coverage clauses: Mishandling, negligence or malevolence, Theft or Assault, Road Hazard including Burglary and Assault, Collision of transported vehicle, Rollover of transporting vehicle.
- (iv) Where the Purchase Order covers the transport of employees, Seller shall submit the following insurance policies:
- (1) Social Security, for the Seller's employees who are Mexican citizens, with insured amounts and coverage in compliance with the provisions of current local labor laws (IMSS).
  - (2) Personal accident policy, Seller and its specialized personnel, such individuals shall take out, at their own expense, personal accident and death insurance, with minimum coverage required by law in Mexican territory.
  - (3) Travelers Civil Liability Policy, with an insured amount not less than those established in articles 62, 62, 64 and 65 of the Federal Roads and Bridges and Federal Motor Transport Law, as well as what is established in the Official Gazette for private Transportation.

- (b) Seller shall designate Buyer as an additional insured and/or preferred beneficiary on the liability policies and shall provide evidence of such status before starting the Service agreed upon in the Purchase Order. The parties agree that Buyer shall have the full right to demand and be held harmless in the event that claims are made against it by third parties and are based on actions, omissions and/or negligence attributable to Seller.
- (c) Any insurance policies required from Seller shall be considered "primary" and not "contributory and/or in excess" of any policies that Buyer has contracted or may contract from time to time. Under special condition, the Seller shall expressly waive any right of subrogation against Buyer and/or its affiliates and/or subsidiaries. Under special condition, the Seller shall accept that the policies may not be canceled or amended without first having sent notice to Buyer thirty (30) days in advance.
- (d) Seller shall provide certificates of insurance evidencing required coverage upon Buyer's request prior to starting the Purchase Order. Buyer will require that each policy (other than Workers' Compensation and Professional Liability) include a waiver of subrogation.

## **17. CHANGES, SUSPENSION, AND CANCELLATION**

Buyer reserves the right to reschedule any delivery or cancel the Purchase Order at any time prior to shipment of Goods or prior to the provision of Services and not be subject to any charges as a result of such rescheduling or cancellation. Buyer reserves the right to cancel the Purchase Order, in whole or in part, to suspend Seller's provision of Work for reasonable periods, or to make changes in specifications or requirements, at any time for any reason, at Buyer's sole discretion, effective immediately upon notice to Seller.

## **18. CANCELLATION FOR CAUSE**

Timing is essential. Buyer reserves the right to cancel the Purchase Order, in whole or in part, upon written notice to Seller if: in Buyer's judgment, Seller fails to proceed expeditiously with delivery or performance; the Work fails to comply with any warranties; Seller fails to perform or otherwise breaches this Purchase Order; or an event occurs that has an adverse impact on Seller's financial condition. Seller shall not replace the returned Goods without the Buyer's written request. Acceptance of any part of the Purchase Order shall not bind Buyer to accept future shipments of Goods or performance of Services, or deprive it of the right to return Goods already accepted.

## **19. ACCIDENT PREVENTION**

The Seller shall furnish the Work in compliance with good safety practices, generally recognized industry standards and practices for similar Work, and all other applicable federal, state and local laws, ordinances, rules, orders and regulations, including the Occupational Safety and Health Act as amended and Buyer's "Contractor's Safety Regulation." If the Purchase Order covers the performance of Services on premises or facilities, or on electric lines or equipment, wherever located, owned by the Buyer, Seller shall abide by all applicable provisions of Buyer's site safety policies (including, but not limited to, compliance with the Buyer's contractor drug testing program) during Seller's performance of the Purchase Order. Buyer reserves the right to audit the Seller's records to assure compliance with this requirement. The Seller agrees to indemnify the Indemnified Parties against any loss, cost, liability or damage whatsoever, including attorney's fees, which may result from Seller's violation of this section.

## **20. SUBCONTRACTS AND LABOR LIABILITY**

- (a) Seller may not subcontract any of its obligations contained in these Terms and Conditions or in the Purchase Order and shall prove that it has the Registry of Specialized Services or Works Providers ("REPSE"), which it has provided and undertakes to keep it in force during the effectiveness of these

Terms and Conditions, as well as to comply with the with the obligations arising therefrom. Particularly in case of applying REPSE, the following information shall be provided:

- (1) Provisional acknowledgement of the Income Tax on wages and salaries (ISR payroll) for the month during which the Service was rendered for AES Mexico companies (Appendix A), as well as the corresponding proof of payment.
  - (2) IMSS calculation of the month during which the Service was rendered for AES Mexico companies, as well as the proof of payment. For months in which INFONAVIT applies, it shall also be submitted.
  - (3) CFDI Payroll of the personnel involved in the Services rendered to AES Mexico companies, for the month during which they were rendered.
  - (4) Provisional acknowledgement of the Value Added Tax (VAT) for the month during which the Service rendered to AES Mexico companies was paid, as well as its proof of payment.
  - (5) Payment Complement (CFDI in XML and PDF) related to the payment of the corresponding invoice.
- (b) Seller may contract any of its obligations contained in these Terms and Conditions when they are not covered by its corporate purpose, provided that Buyer authorizes it in writing, for which Supplier shall request the corresponding authorization and Buyer shall have up to five (5) days prior to the date on which Seller intends to start the Work, to issue its written response. The Parties agree that, if Seller fails to notify Buyer and, consequently, Buyer fails to authorize in writing any engagement, Buyer shall not pay for the Work to be performed by Seller's supplier.
- (c) Should the Buyer authorize the Seller to hire third parties for the performance of any of the obligations under the Terms and Conditions, Seller shall be liable to the Buyer for the same health and safety obligations with respect to its contractors' personnel assigned to such activities in the same manner as the scope of liability set forth in this clause, as if they were the Seller's personnel, assuming any liability to the Buyer in the event of non-compliance by their suppliers and shall hold Buyer harmless from any legal proceedings that may be filed by the Seller or its personnel against Buyer.
- (d) Seller shall provide closed and safe TRANSPORTATION to its workers where each worker can be seated. Personnel CANNOT be transported in the truck bed, so if the Seller is found in this situation, it may be removed from the Site immediately.
- (e) Seller shall provide the FOOD to its workers. During scheduled maintenance periods for the units, the dining room for the Seller shall be assigned between the Buyer and the union to which it is a member, and the costs shall be passed on to the Buyer to formalize the agreements with the catering service. Seller's staff shall use the assigned dining room, so they are strictly prohibited from taking their meals in any other area within the Site.
- (f) Seller shall inform Buyer's Surveillance office if it requires access to Buyer's facilities with any computer equipment, mass storage devices or networking and communications equipment, e.g., laptops, switches, wireless modems or UHF or VHF radios, in which case it shall be requested to process the entry authorization with the IT department, for which an inspection of the equipment is required. It is not allowed to connect any equipment to the local network or to use the radio channels without prior authorization.

## 21. RELATIONSHIP BETWEEN THE PARTIES

- (a) Both Parties acknowledge that these Terms and Conditions are of a business nature and therefore no employment relationship shall exist either between the Seller and the Seller's personnel with the Buyer or between the Buyer's employees with the Seller, and the Parties mutually release each other from any liability that may arise concerning their respective employees.
- (b) Each Party is not, nor should it act, as an agent, commission agent, principal, nominee or representative of the other Party. Likewise, neither Party has the power or authority to obligate or bind the other Party in any way before third parties.

- (c) Seller undertakes to deliver on the date of signing these Terms and Conditions or periodically, as appropriate to the specific case, the following documentation:
  - (1) Proof of tax situation updated one month after signing,
  - (2) Proof of address,
  - (3) Proof of compliance with employer obligations before the Mexican Social Security Institute, which shall be valid during the term of the Work provision, and
  - (4) Opinion on compliance with tax obligations issued by the Tax Management Service on the date of signature.
- (d) If Seller refuses to deliver the aforementioned documentation, such refusal shall be grounds for termination of the Purchase Order and these Terms and Conditions by the Buyer.
- (e) Likewise, both Parties expressly acknowledge that under no circumstances shall there be subordination of the personnel designated by Seller for the execution of these Terms and Conditions and that such personnel shall act at all times solely under the instructions of Seller, but abiding, as the case may be, by the safety standards within Buyer's facilities.
- (f) The Seller is, and at all times must be, an independent Seller in all matters related to these Terms and Conditions and therefore recognizes that they do not create or constitute, nor are they intended to create or constitute, an employment relationship between the Parties; therefore, the Parties undertake to have sufficient elements of their own to comply with the obligations they acquire with the execution of these Terms and Conditions and expressly take on all the obligations and responsibilities arising from the employment relationship with their respective personnel and employees and from the applicable legal provisions, including its obligations under the Federal Labor Law, the Social Security Law, the Law of the Institute of the National Housing Fund for Workers, the Law of the Retirement Savings System and any other applicable laws and regulations, including without limitation the payment of salaries and other compensation or contributions to the Mexican Social Security Institute, the Institute of the National Housing Fund for Workers or the Retirement Savings System. Each Party is responsible for the fulfillment of labor, tax and any other obligations it may have with its own personnel, as well as for the individual or collective labor agreements it may have entered into.
- (g) Therefore, Seller agrees to indemnify and hold Buyer harmless from any claims resulting from Seller's employment relationships with its personnel, workers, officers, employees or contractors, and those made by any authority, and to pay any damages, losses, costs, expenses, equivalent or similar, including reasonable attorneys' fees, caused to the other Party by the foregoing.

## 22. LABOR UNION

- (a) Once the Seller has these Terms and Conditions duly signed, it shall apply to the corresponding Union to perform the Services, so that it can register with the union the work to be performed and the personnel to be used in that work (number of people and categories) and the union grants them a LETTER OF ACCEPTANCE.
- (b) The Seller shall pay the corresponding Union fees corresponding to:
  - (1) 2% (two percent) of the labor force (base salary and overtime). This percentage is withheld from the worker.
  - (2) 2% (two percent) of the labor force (base salary and overtime). This percentage is covered by the contracting company.
- (c) The aforementioned percentages are calculated solely and exclusively on the labor derived from the registration of workers with the Mexican Social Security Institute (IMSS).
- (d) Once the aforementioned fees are paid, the corresponding union shall issue the PROOFS OF PAYMENT to the Seller regarding its obligations, which shall be delivered monthly to the Buyer's Safety Department. Once the Seller completes the Work, it shall process with the union the NO DEBT letter, which shall be included at the time of delivery of its invoice to the Buyer.

## 23. COMPLIANCE WITH LAWS

- (a) Seller shall comply with all applicable federal, state and local laws, statutes, codes, ordinances, rules and regulations, including the Buyer's "Safety Regulations for Contractors" and the orders and decrees of any court, or administrative bodies or courts in any manner affecting the performance of the Purchase Order. This includes, but is not limited to, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, non-discrimination, and licensing laws and regulations. When required or upon written request, Seller shall provide Buyer with satisfactory proof of its compliance therewith in a timely manner. Without limiting the foregoing, in performing its obligations under this Terms and Conditions, Seller shall also comply fully with all applicable anti-corruption, anti-money laundering, anti-terrorism and economic sanction and anti-boycott laws.
- (b) Seller shall fully comply with all applicable laws of the countries where the obligations established in these Terms and Conditions shall be fulfilled, as well as with all applicable laws of the United States regarding corruption, money laundering, terrorism, economic sanctions and boycotts, including, but not limited to, the US Foreign Corrupt Practices Act ("FCPA") found on the AES website: <https://www.aes.com/standard-po-terms-conditions>
- (c) Seller acknowledges that it has received a copy of Buyer's "Code of Business Conduct and Ethics" and understands the standards that Buyer expects Seller to comply with when performing Services for or on behalf of Buyer.

## 24. GOVERNING LAW AND DISPUTE RESOLUTION

- (a) For the interpretation and fulfillment of the obligations contracted under these Terms and Conditions, the Parties submit solely to the jurisdiction and competence of the relevant courts in Mexico City, Mexico; therefore, the Seller waives any other jurisdiction that correspond or that may correspond to it by reason of its current or future domicile or for any other reason.
- (b) These Terms and Conditions are subject to the provisions of the Commercial Code and the Federal Code of Civil Procedures in force in Mexico and any other circumstance not provided for in such laws shall be in compliance with the Mexican laws in force.
- (c) Both Parties hereby accept full responsibility for compliance with the regulations, laws and governmental provisions that are respectively applicable to them, whether federal, state and/or municipal. If either Party violates any law or regulation, it shall be solely responsible for the penalties resulting from such violation, as well as for any damages or losses caused to the other Party.

## 25. REMEDIES AND LIMITATION OF LIABILITY

All rights and remedies in these Terms and Conditions are cumulative and are in addition to, and not in lieu of, all rights and remedies provided at law or in equity. IN NO EVENT SHALL BUYER BE LIABLE TO SELLER OR ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS TRANSACTION, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## 26. NO WAIVER

No waiver under these Terms and Conditions is effective unless it is in writing, identified as a waiver to these Terms and Conditions, and signed by the Buyer. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and Buyer reserves its rights to exercise any or all of its rights hereunder on any future occasion. Neither a failure or delay by Buyer in exercising a right or remedy under these Terms and Conditions, nor any act, omission or course of dealing between the Parties, constitutes a waiver or estoppel of any right, remedy, power, privilege, or condition arising from these Terms and Conditions or at law.

## 27. MISCELLANEOUS

In the event any provision of these Terms and Conditions shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, the remaining provisions of these Terms and Conditions shall remain in full force and effect to the maximum extent possible. The Purchase Order (including any material expressly incorporated by reference), together with these Terms and Conditions, constitutes the entire agreement between the Parties and supersedes all proposals or prior agreements, oral or written, and all other communications between the Parties relating to the subject matter hereof, except where Buyer and Seller execute a signed, written contract for the same Goods or Services, in which case the terms of such contract are incorporated herein and will govern instead of these Terms and Conditions. The Terms and Conditions of this Purchase Order may not be added to, modified, superseded, or otherwise amended without Buyer's written consent, and any terms or conditions contained in any communication of Seller (whether in an invoice, proposal, clickthrough, or any other form) that are inconsistent with these Terms and Conditions have no force or effect. Provisions of these Terms and Conditions which by their nature should apply beyond their terms shall remain in force after any termination or expiration of the Purchase Order, including without limitation indemnification, warranties, confidentiality, insurance, and compliance with laws.