	Code CO-01 Preparation Date: 1/10/2014 Review Date 03/18/2020 Review No.: 15
Purchasing	
Prepared by: Abigail Uribe	Authorized by: Nelly Molina

Purchasing Policy

1. Purpose and Scope

This document provides the guide for the acquisition of Goods and Services via Purchase Orders or Contracts to ensure that Infraestructura Energética Nova, S.A.B. de C.V., and its different Subsidiaries in Mexico, hereinafter referred to as “IEnova” or the “Company” obtain the best cost-benefit, pursuant to the Code of Ethics and the best business practices.

IEnova's objective, through the Supply Chain Department, is to guarantee the supply of goods and services in the best conditions in terms of costs, times and specifications, in accordance with the established policies.

This Policy applies to all IEnova's personnel (whether with a permanent or temporary contract and/or subcontracted). Said personnel shall also comply with CO-01-P01 Purchasing Procedure.

2. Definitions and Terminology:

Purchasing Department: Organizational structure designed by the Supply Chain Department to perform the activities described in this Policy, including all those related with Purchasing Process.

Good and Goods: Physical articles used in the performance of a Company activity. Goods may be materials, equipment, consumables and inventariable items, among others.

Purchase or Purchases: The acquisition of goods and/or services.

Contract(s): Document(s) used to engage Services and the supply of goods in accordance with the stipulations of LG-02 Contract Preparation Policy.

Entity: An identifiable unit that performs economic activities constituted by combinations of human, material and financial resources, conducted and managed by a single control center that takes decisions focused on meeting the specific goals for which it was created.


Government Entity: Refers to any:

- (i) government, department, body, agency or entity, whether Federal, State or Municipal, including the administrative, judicial and legislative branches;
- (ii) political party;
- (iii) department, society, company, firm, public institution or non-profit association wholly owned or controlled by any government body, such as semi-state companies or state manufacturing companies;
- (iv) international public organization, such as the United Nations and the World Bank, and.
- (v) Autonomous Constitutional Bodies.

Civil Servants: Refer to any official or employee of any Government Entity:

Allocation Minute: Document that summarizes the scope, purchasing process and the reason for assigning a Supplier.

Negotiation: The process conducted to obtain the most suitable and favorable contractual terms.

	Code CO-01 Preparation Date: 1/10/2014 Review Date 03/18/2020 Review No.: 15
Purchasing	
Prepared by: Abigail Uribe	Authorized by: Nelly Molina

Purchasing Policy

Purchase Order (PO): Document issued to commit to the sale and purchase of Goods and/or Services, and that contained updated Terms and Conditions. A PO may cover a single supply or a repeated supply in a global PO to cover a set of goods to be supplied over a period of time or up to a maximum amount.

If the Purchase Order includes services within the Company's installations must be authorized beforehand by the manager responsible for the asset in which the Services are to be rendered and IEnova's Legal Department, provided that the service in question is of low risks and short duration in the performance of the Services as a whole.

OFAC (Office of Foreign Assets Control): Supporting evidence of the buyer's task of checking that the selected supplier does not appear on the OFAC list prior to its contract.

Open Bid: The legal instrument through which construction service providers to the Distribution Division accept the terms, conditions and prices set in the Open Bid. This contract was designed in conjunction with the Distribution Division's Development and Legal Departments and may only be used for construction services. It is legally binding and contains the terms, conditions, scopes and price that govern the aforementioned works. This document shall be published from the commencement of the process and its content may not be modified or negotiated under any condition.

Supplier: The individual or company that offers and sells a good or service through a commercial sale and purchase transaction.

Purchase Requisition: . Document through which the User requests goods and/or services from the Purchasing Department. Purchase Requisitions must be approved beforehand and describe the requirements of the good or service in detail.

RFP: Request for Proposal in order to assign a PO or Service Contract.


RFQ: Request for Quotation in order to check the prices and market conditions of a good or service.

SAT (Ministry of Taxes): Refers to the supporting evidence of the buyer's task of checking that a supplier invited to tender does not appear on the SAT list for article 69 and 69B of the Federal Tax Code. This validation applies to all sourcing processes, either single source, sole source or tender.

Services: An activity or set of activities performed by a third party for the Company, including construction or civil works activities.

User: All persons who initiates a purchasing process required by IEnova.

Subsidiary: A company in which the IEnova is a stockholder and in some manner, exercises "control" over it. IEnova is understood to exercise control of another company if it has the capacity to perform any of the following actions: (i) impose, either directly or indirectly, decisions at the of the stockholders, partners or equivalent bodies, or appoint or remove the majority of the members, administrators or their equivalents of a company; (ii) hold the ownership of the rights that permit, either directly or indirectly, to exercise the vote of more than 51% of the capital stock of a company; or (iii) manage or direct, either directly or indirectly, the management, strategy or the main policies of a company, whether through the ownership of securities, by contract or any other

	Code CO-01 Preparation Date: 1/10/2014 Review Date 03/18/2020 Review No.: 15
Purchasing	
Prepared by: Abigail Uribe	Authorized by: Nelly Molina

Purchasing Policy

manner.

Terms and Conditions (T and Cs): T and Cs are defined as the specific conditions attached to a PO and that cover all, civil, mercantile, commercial, insurance and performance bond aspects required for a Company.

3. Parties Responsible:

The Company Directors (Chief Executive Officer, Executive Vice Presidents, Vice Presidents, Directors and Managers) are responsible for ensuring that their employees understand and adhere to this policy and its related procedures and processes.

All employees involved in the Purchase Requisition; Negotiation and Purchasing processes are responsible for adhering to the policy described herein. The Supply Chain Department is responsible for ensuring that this policy is applied.

4. References


- CO-01-P01 Purchasing Procedure.
- IEnova's Code of Ethics (<http://www.ienova.com.mx/pdf/codigo-de-etica.pdf>).
- CO-01-F01 Purchase Requisition Form.
- EC-01 Corporate Ethics Policy.
- CH-02 Independence and Conflicts of Interest Policy.
- FI-09 Accounts Payable Policy.
- FI-13 Commitments and Approvals Policy
- LG-02 Contract Preparation Policy.
- GE-01 Record Filing Policy.
- CO-01-A01 Acquisitions Committee Bylaws.
- LG-02-P01 Contract Management. Procedure.

5. Policy

5.1 Sustainability

Goods and Services Suppliers shall ensure their due compliance with the laws and regulations applicable and related to employment practices (work shifts, freedom of association., child labor, non-discrimination, forced labor, human rights and disciplinary practices), quality, health and safety, ethics and transparency, and privacy of information, as well as their commitment to the development of their employees and the payment of competitive salaries to ensure they have acceptable standards of living. Suppliers shall also demonstrate their commitment to respect and the development of the communities in which they operate.

The Company's Goods and Services Suppliers shall ensure their due compliance with the laws and regulations applicable and related to the environment, as well as their commitment to preserve the environment by preventing adverse environmental impacts caused by their operations and ensuring the performance of environmentally-safe, efficient and friendly activities.

	Code CO-01
	Preparation Date: 1/10/2014 Review Date 03/18/2020 Review No.: 15
Purchasing	
Prepared by: Abigail Uribe	Authorized by: Nelly Molina

Purchasing Policy

6. **Diagram and/or Narrative**
N/A
7. **Exhibits (Forms, documents and/or standards)**
8. **Tax Administration Service (SAT) Review:**
9. **Follow-up and Measurement (Performance Indicators)**
N/A
10. **Authorization**

Abigail Uribe
Supply Chain Director

Ramiro Fernández
Compliance Manager

Jimmy Zadigue
Internal Audit Manager

Roberto Rubio
Comptroller Vice-President

Deyanira Santomé
Internal control Manager

11. Contacts (Doubts and/or Clarifications)

Questions related to the implementation of or compliance with this policy must be discussed with your immediate supervisor. The contact designated as responsible is this policy shall the Purchasing Department or you can contact the Ethics Helpline on 01 (800) 062 2107. The Ethics Helpline is available 24 hours a day, 7 days a week. All calls received by the Ethics Helpline will be treated as confidential.

Contact	E-mail	Telephone Number
Abigail Uribe	auribe@ienova.com.mx	(55) 5002-1000 ext. 110
Ángel Castillo	acastillo@ienova.com.mx	(55) 5002-1000
Daniel Serna	dserna@ienova.com.mx	5002-1000 ext. 420
María José Vela	mvela@ienova.com.mx	5002-1000 ext. 240
Jorge Pérez	jorperez@ienova.com.mx	5002-1000 ext. 231
Ramiro Fernández	rfernandez@ienova.com.mx	(55) 91 38 01 00
Marcela Camacho	mcamacho@ienova.com.mx	(686) 568 80 12