

## **Guide of Integrity for Suppliers, Contractors and Advisors of Prolec GE**

### **PGE's Code of Conduct**

The commitment of PGE to total and incessant integrity can be found in the Manual of Company Allegiance. Integrity: The Spirit and Emblem of Our Commitment. The policies described in the Spirit and Emblem govern the conduct of all the employees at PGE and are found supplemented by procedures of submission and guidelines adopted by every element at PGE. All the employees at PGE should not only comply with the “emblem” of the allegiance to PGE’s company policies, but also with its “spirit”. The “spirit” of commitment to PGE’s integrity can be found in PGE’s Code of Conduct, which each of the employees at PGE has turned into a personal commitment to comply with:

- Obey the applicable rules and the norms which govern our business conduct throughout the world.
- Be honest, fair and dignified in all activities and relationships of PGE.
- Avoid all types of conflicts of interests relating to work and to personal issues.
- Promote an environment in which fair hiring practices are extended to every member of PGE’s diverse community.
- Strive to create a safe work environment and protect the surroundings.
- Through leadership in all levels, maintain a culture in which the ethical conduct can be recognized, valued and illustrated by all the employees.

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***It does not matter how large the benefit, or how important the matter may seem, PGE will only do business in a legal and ethical manner. In working with clients and suppliers in all aspects of our business, we will not compromise our commitment with integrity.***

### **Obligations in order to achieve satisfaction in PGE**

Every PGE employee is obligated to comply with the requirements of the “emblem”, of the Company conformity policies, implied in the Spirit and the Emblem. These policies implement the code of conduct of PGE which can be found supplemented by procedures of conformity and guidelines adopted by every member and/or business of PGE are the following:

#### **Inappropriate Payment**

- Always keep to the highest standards of honesty and integrity with every contact made in representation of PGE. Never offer bribes, retributions, or illegal political contributions or other inappropriate payment to any client, government official or third party. Comply with the laws set by Mexico and the United States as well as by other countries where participation is present, in relation to other issues.

- Do not give gifts of significant value or offer any extravagant entertainment to a client or supplier without the authorization of PGE's management. Ensure that all business entertainment and gifts be within ethical and are revealed to the superiors of the other party.
- Hire only accredited personnel and companies to represent PGE, and understand and obey each and every requirement that governs the representation by third parties.

### **International Commercial Controls**

- Understand and follow all the controls, trade laws and norms of international trade that apply, including those that are related with licensing, the sending and documentation of importing, as well as the reporting and registration of the requirements of retention.
- Never participate in boycotts or other restrictive trade practices that are prohibited or penalized by applicable laws, whether they be Mexican or local.
- Ensure that all transactions have been submitted to review and that they comply with the applicable requirements of import/export and that any apparent conflict between Mexico and the requirements of the local applicable laws, such as the laws that obstruct certain Mexican restrictions set by Canada, United States and Members of European Economic Community, are revealed to the PGE counsel.

### **Prevention of Money Laundering**

- Comply with all the applicable laws that prohibit money laundering and that require that all suspicious use of cash or other suspicious transactions be reported.
- Learn to identify the warning signs or indications that money is being laundered or that other illegal activities or violations to PGE's policies is occurring. Mention any concerns the PGE counsel or management.

### **Privacy**

- Never acquire, use or reveal individual consumer information in a manner that would be inconsistent with PGE's privacy policy or with the law, or applicable privacy treaties and data protection.
- Keep your individual consumer business records protected, including the information that can be found in the data base of your computer.

### **Relationships with the Suppliers**

- Only conduct business matters with suppliers who comply with the local and legal laws and with the additional standards set by PGE in relation with work policies, environment, health and safety, the rights of intellectual property and improper payments.

- Comply with the applicable laws and governmental norms that are related with the relationships with the suppliers.
- Promote a competitive opportunity that enables the suppliers the opportunity to obtain a substantial portion of PGE's business, including small businesses and businesses whose owners are disabled, are minorities or are women.

### **Working with the Government**

- Comply with the applicable laws and the norms associated with the contracts and transactions with the government.
- Request that any supplier that is supplying goods or services for PGE in a governmental project or contract that they commit to comply with intentions of PGE's policies in reference to working with the government.
- Be honest and precise when working with government officials and agencies.

### **Complying with Competitive Laws**

- Never propose or reach an agreement with any of PGE's competitors to fix pricing, sales terms or conditions, costs, earning margins or any other aspect of the competition for sales to third parties.
- Do not propose or reach any agreement or understanding with PGE's clients restricting resale prices.
- Do not propose or reach any agreement or understanding with suppliers restricting prices or other terms with which PGE can resale or lease a product or service to a third party.

### **Environment, Health and Safety**

- Learn to carry out your activities according to all the relevant laws and norms of the environment, health of the worker and safety
- Ensure that all the designs of new products or changes or the proposal of any service be reviewed and that it be verified that they follow PGE's guidelines.
- Be careful with the management of dangerous material or with the operation of equipment or processes that uses dangerous material, in order to prevent releasing it into the work area or environment.
- Report all spills of dangerous material to PGE management; any concerns that any of PGE's products are unsafe or any potential environmental, health, or safety violations of the laws or norms, or if practices or petitions of the company violate procedures established by EHS.

### **Fair Employment Practices**

- Extend fair opportunity, fair treatment and a work environment free from harassment for all employees, colleagues, advisors and all others associated with the business, overlooking race, color, religion, nationality, sex (including women who are pregnant), sexual orientation, age, disabilities, veteran status, or any other characteristic protected by law.

### **Conflict of Interests**

- Financial or business activities, or any other activity not related with the job should be within the law and free from conflict with one's responsibilities in PGE.
- Report all family or personal relationships, including all others who you consider important to you, who are current or prospective suppliers that you select, manage, or evaluate.
  - Do not use equipment, information or any other property belonging to PGE (including office equipment, e-mail, or other computer applications) to conduct personal business that does not pertain to PGE without having prior permission from the indicated PGE manager.

### **Control**

- Keep and report all documentation belonging to PGE, including any documents that may contain times, in a precise, punctual, complete and confidential manner. Only reveal documents belonging to PGE to third parties when authorized to do so by PGE.
- Comply with the General Accounting Procedures of PGE, as well as all other principles, standards, laws and norms of accounting and financial reports of transactions, accounting estimates and forecasts that are generally accepted.
- Financial declarations and reports prepared for or by any part of PGE (including any of its components or businesses) should fairly present the financial position, the operational results, and/or other financial data of the specified periods and/or dates.

### **Trading or Negotiations on Behalf of Inside Parties or Stock Information**

- Never buy, sell or suggest that another person should buy or sell stock or other goods of a company (including PGE) while you are aware of the significant information or material that is not readily available to the general public (inside information) pertaining to this company. Information and/or material is considered significant when it is probable that an ordinary investor would consider the information important in order to make an investment decision.
- Do not pass on or reveal inside information unless it is necessary to conduct PGE businesses and never pass on or reveal any information if you suspect that this information could be used for any kind of inappropriate trading.

### **Intellectual Property**

- Lawfully identify and protect the intellectual property of PGE that is commercially meaningful.
- Consult with PGE counsel before petitioning, accepting or using information that is intellectual property of external parties, reveal information that is PGE's property to external parties or before allowing third parties to use intellectual property belonging to PGE.
- Respect valid patents, materials that are copy-written and other protected properties that belong to other people and consult with PGE counsel for the

expedition of licenses, or for the approvals of the use of such intellectual property.

### **Responsibilities of the PGE's Suppliers**

PGE will only do business with those suppliers who comply with the applicable legal requirements. It is expected of the suppliers that they carry out business with PGE that not only complies with the obligations established in their contract related to any sales order or any agreement that has been reached with PGE, but that they also adhere to the standards of business conduct that are consistent with PGE's obligations that are stated in the "Obligations of Compliance with PGE" section of the Guide and with the standard guidelines in this section of the Guide. The commitment of the supplier to follow these standards is the foundation of a business relationship of mutual benefits with PGE.

PGE requires of and expects from each of PGE's suppliers compliance with all of the applicable legal requirements. Unacceptable practices on the supplier's behalf include:

- **Minimum Age** Employing staff who are younger than the stipulated minimum aged for employment.
- **Forced Work** The use of forced work, of the **reos** or work by forced hiring or the use of workers subjected to any type of constrain or force.
- **Docility with the Environment** The lack of commitment with the compliance of the laws or norms of the environment that are applicable. Actions that PGE considers as evidence of the lack of commitment with the compliance of the laws or norms of the environment that are applicable include:
  - The lack of maintenance and the imposition of a comprehensive program and put in writing for the handling of the environment that is subject to constant auditing.
  - The lack of maintenance and compliance of all the permits of the environment that are required.
  - Allowing any discharge into the environment in violation of the law, given or required permits or in any other way would have an inverse impact on the environment.
- **Health and Safety** Not providing the employees a work area that compiles with all the applicable health and safety standards.
  - **Code of Conduct** The lack of maintenance and the imposition of the company policies that require cohesion to legal business practices, including the prohibition of bribing government officials.
- **Business Practices and Negotiations with PGE** Direct or indirect offering or supplying of any valuable good, including cash, bribes or retribution to any PGE

employee, representative, client or government official that is related to any procedure, transaction or negotiation of PGE. Said prohibition includes the offering or supplying of advising, employing, or any similar action on behalf of a supplier to any employee of PGE (or to any member of their family or any other person connected to those mentioned) involved in any of the procedures of PGE. PGE also requires that the PGE's suppliers not offer or provide the employees or representatives of PGE gifts above those of normal value, with the objective of commemorating or recognizing any transaction or activity in particular from the supplier of PGE. Above all, a supplier of PGE should not offer, invite or allow PGE's employees or representatives to participate in any course, game or promotion offered or sponsored by the supplier.

- **Business Entertainment for PGE's Employees and Representatives** The lack of respect and breach of the business entertainment policies (including trips and housing) established by PGE and the employees and representatives of PGE that are in command. It is expected that the supplier of PGE understand the business entertainment policies applicable to the business or components of PGE before offering or providing any of PGE's employees or representatives business entertainment. Business entertainment should never be offered to a PGE employee or representative by a supplier in circumstances that could appear inappropriate.

- **Above-Mentioned Conduct and PGE Procedures** At the moment of sharing or trading a price, cost or other competitive information or the performance of any other above-mentioned conduct with any other third party being a supplier for PGE in relation to any PGE procedure that is proposed, pending or current.

- **Intellectual Rights and Other Property Rights** The lack of respect towards the intellectual rights and the property rights of others, especially this of PGE. In this aspect the supplier should:

- Only use the information and property of PGE (including tools, and specifications) for the purpose which they were supplied and not for any other purpose.

- Take appropriate measures in order to safeguard and maintain the confidentiality of the information belonging to PGE, including keeping it in a safe and trustworthy work area that is not to be revealed to third parties (including other clients, subcontractors, etc) without previous written authorization from PGE.

- In the case it be required by PGE, only send PGE information via internet in encrypted form.

- Observe and respect all of PGE's patents, trade marks and copy writes, and comply with the necessary restrictions and prohibitions that PGE can at any given time establish.

- **Controls of Export and Customs Matters** The transfer of technical information of PGE to any third party, without the precise written consent from PGE. The in compliance of the norms and applicable laws of export control of PGE's technical information, including any access restriction and the applicable use of the nationalities not being Mexican and the in compliance to ensure that all the invoices or documents of all kinds submitted to PGE or to governmental authorities in connection to the transactions that involve PGE describe the goods or services in a precise manner that have been supplied or turned in as well as the prices of such items.

- **The Use of Subsuppliers or Third Parties for Avoiding Requirements**

The use of subsuppliers or third parties for avoiding legal requirements applicable to the supplier and any other standard mentioned in this Guide.

The standards previously mentioned are subject to change at PGE's discretion. Please contact a manager at PGE with whom you work or with some Resource of Conformity of PGE if you have any questions on these standards and/or their application to particular circumstances. Each supplier of PGE is responsible for ensuring that the supplier as well as their employees and representatives understand and comply with these standards. PGE will only do business with those suppliers who comply with the applicable legal requirements. PGE reserves the right, based on the evaluation of the information available to PGE at the moment, without finding fault in PGE, to cancel any sales order or pending contract, with any supplier who does not comply with the standards mentioned in this section of the Guide.

### **How to Address Concerns About Integrity**

It is expected of each of PGE's suppliers to opportunely inform PGE of any concerns about the integrity that involves or affects PGE, whether this concern involves the supplier or not, as soon as the supplier has any knowledge of said concern of integrity. A PGE supplier should take the necessary measures in case PGE needs reasonable assistance in the investigation of any questionable acts of integrity involving PGE and the supplier. Concerns of integrity can be addressed by a PGE supplier with the indicated PGE management, Company or PGE Support Lines, or with another Resource of Conformity (for example the legal representative of the company or an auditor).

**I. Define your concern:** Who or what is the concern? When did it happen? What are the relevant events?

**II. Address the concern – *the opportune report is crucial:***

— Speak with PGE's Director of Administration and Finances or with PGE's Stock Manager.

— A Recourse of Conformity from PGE or the Company will opportunistically review and investigate your concern.