

QUOTE REQUEST FOR SUPPLY LGN  
CFEN-INTD-GACS-063-2022

Friday, 25th November 2022

SUBJECT: QUOTE REQUEST FOR SUPPLY LGN

CFEnergía S.A. de C.V. ("**CFEnergía**"), a subsidiary of the Federal Electricity Commission (the "**CFE**" or "**Commission**"), whose corporate purpose, among others, is the marketing of fuels in Mexico, extends a cordial invitation to participate in the contracting process of supply of Liquefied Natural Gas in the reception, storage and regasification terminal located in Manzanillo, Colima, hereinafter the "**Services**", in accordance with the requirements set out in Table 1 below, by virtue of which its representative has been identified as a potential service provider (the "**Participant**") and which has extensive experience in the supply of Liquefied Natural Gas ("**LNG**") required by CFEnergía:

Table 1.

Kind of product	Liquefied Natural Gas
Quality specifications	Mexican Official Norm NOM-001-SECRE-2010
Delivery Point	Manzanillo, Colima Mexico. In the reception terminal, storage and regasification of the company Terminal KMS of LNG, S of R.L. of C.V. (" <b>Terminal KMS</b> ")
Volume (m3) Minimum-maximum	80,000 a 160,000
Million BTU (MMBTU)	1,838,090 a 3,676,181
Supply period	<b>First delivery window</b> Until December 14, 2022 <b>Second possible delivery window</b> Until February 15, 2023.
Minimum volume in the first delivery(m3)	80,000
Minimum volume in the first delivery MMBTU	1,838,090
Coordinates of delivery:	19.012964, -104.260512

1. REQUIEREMENTS

A. Send to [cop@cfenergia.com](mailto:cop@cfenergia.com) in PDF format on November 30th, 2022, between 04:00 and 07:59 (Mexico City time):

- i. Confidentiality Commitment Letter signed by a legal representative (**Annex 1**).

- ii. **Simple Copy of the public deed** establishing the legal formation of the company concerned. In the case of legal persons incorporated abroad, they must accompany a copy of the corresponding constituent document (e.g., Articles of Association, Certificate of Incorporation, Articles of Incorporation, etc.)
- iii. **Simple Copy of the document accrediting the powers and powers of the signatory of the Letter of Commitment and Letter of Interest.** If it has been granted abroad, a copy of the document certifying the personality of the signatory of the company concerned must be accompanied (e.g., PoA, Certificate of Incumbency or Authorized Signatories, etc.)
- iv. **Simple copy of the signatory's official identification.** As official identification. In the case of documents issued by Mexican government authorities, only the voter's credential, valid passport or professional card will be accepted; whereas, in the case of documents issued by government authorities other than Mexican, only the valid passport will be accepted.
- v. **Economic offer** duly signed by the company's legal representative.
- vi. **Risk analysis assessment.** To accredit the Participant's financial and credit standing, CFEnergia shall assess the Participant's financial standing, capacity to pay and indebtedness. Following this assessment, CFEnergia will analyze the feasibility of the award.

In this assessment the following is required:

Relevant information demonstrating its financial condition, including its audited financial statements, audited by an external auditor (comprising at least the Balance Sheet, Statement of Income, Cash Flow and Changes in Equity) or tax return filed with the tax authority, for the last 3 (three) fiscal years 2020 and 2021, as well as preliminary ones to the third quarter of 2022 signed by an Accountant(a) Public(a) Entitled(a) and incorporating their professional identification number.

The interested party may, in addition and in a separate section, also submit alternative and/or additional suggested approaches to the scheme established herein, without requiring CFEnergia in any way to change the scheme proposed here.

**After the deadline for receiving the Proposals and not having your own, CFEnergia will consider that there was no interest in participating and will not generate any obligation for any of CFEnergia.**

#### **A. CONSIDERATIONS**

- i. The participant shall consider that, LNG may be delivered in one or two delivery windows according to the periods established in Table 1, having to insure

CFEnergía at least 80,000 m<sup>3</sup> in the first delivery window.

- ii. The economic offer must be issued in dollars by MMBtu (USD / MMBtu) before VAT, considering all associated costs for the delivery of the required LNG volume at the Delivery Point set out in Table 1, considering, but not limited to, costs of the molecule, transport, permits and certificates.
- iii. The economic offer may be submitted considering the following two options Manzanillo Sale Price:
  - ✓ US HH Natural Gas Settlement Price +/- K, in USD\$/MMBTU. It will be considered US Henry Hub Contract Settlement (expiration day) for the month corresponding to the arrival of the LNG vessel, as requested by CFEnergía.
  - ✓ Fixed price offer (example X.XX USD/MMBTU).
- iv. The economic offer must be valid for 30 calendar days from the date of receipt of the email.
- v. The Participant shall cover the Supply Period without exceptions or extensions, both for the first download window and for the possible second download window.
- vi. The Participant shall demonstrate the traceability of the LNG to be supplied, indicating supplier or point of origin, transfer time to comply with the Service Period in accordance with table 1 above, for both the first download window and the possible second download window.
- vii. Compliance with the General Conditions set out in **Annex 2** to this Invitation.
- viii. Compliance with the Operational Procedure for Measurement and Measurement of LNG volumes set out in **Annex 3** to this Invitation.
- ix. Compliance with the Technical Specifications set out in **Annex 4** to this Invitation.

## 2. EVALUATION OF TENDERS

CFEnergía will first analyze the Participant's compliance with risk analysis under the CFEnergía **Anti-Corruption and Bribery Policies**.

Once accredited, CFEnergía will proceed to carry out the evaluation of the Economic Offer considering those that offer the fulfillment of all the requirements referred to in paragraph 2 above and contain the best economic offer in USD/MMBtu.

If, in conducting the evaluation, CFEnergía identifies doubts or deficiencies in the Proposal, CFEnergía may request the necessary information from the Participants to resolve any doubts about the content and/or scope of these, giving them a response

time defined in the requirement itself and allowing CFEnergía to determine the results of the process and ensure timely service. If the Participant fails to comply with (the) requirement(s), CFEnergía shall consider that there was no interest in participating and shall not generate any obligation for the CFEnergía.

If the evaluation does not result in a competitive offer that meets all the above requirements, CFEnergía reserves the right to carry out any of the following options:

- a. Request the Participant to improve its financial offer. Such a proposal must be made in good faith to effect transactions under the terms and conditions proposed under this Invitation. In case the Participant submits a higher economic proposal, or with less favorable conditions, such proposal may be discarded.
- b. Analyze and select the most suitable proposal for CFEnergía based on the information presented by the Participants in their economic offers; and
- c. Declaring the process as desert by mail notification [cop@cfenergia.com](mailto:cop@cfenergia.com).

Proposals from Participants shall not be binding on CFEnergía until the winning Participant is notified of the outcome of the evaluation and the respective supply contract is concluded; However, the obligations of confidentiality and of good faith are binding from the moment of signature of the letter commitment of confidentiality.

### 3. CONSIDERATIONS AFTER ASSIGNMENT OF THE SERVICE

After the declaration of the winner of the contracting process for the Liquefied Natural Gas supply service to be delivered at the KMS Liquefied Natural Gas Terminal located in Manzanillo, Colima, CFEnergía will apply the following conditions to the winning Participant (the "**Supplier**"):

- a. The designation as winner of the competitive process will lead to the formalization of the model contract for the supply of LNG which is immovable, so it is not subject to substantial or substantive changes.
- b. A certified copy of the Copy of the public deed and a Copy of the document attesting the powers and powers of the signatory of the Letter of Commitment and Letter of Interest shall be required.
- c. In order to ensure proper performance of the obligations arising from the Contract, the Supplier shall deliver physically and by e-mail to CFEnergía within 5 (five) business days of the service assignment notification, the performance guarantee (the "**Guarantee**"), which must be constituted by an unconditional and irrevocable letter of credit, issued by a banking institution legally operating in Mexico, with a Credit Rating of at least "mxAA" (National or Domestic Scale) of Standard & Poor's (or its equivalent by another rating agency or international scale).

If the issuing credit institution is foreign, the letter of credit shall be issued by a credit institution with a credit rating of at least "BBB" by Moody's Investor's Service Inc., "BBB" by Standard and Poor's Financial Service, LLC or "BBB" by Fitch Ratings, Inc. and be confirmed by an authorized banking institution in terms of the Law of Credit Institutions to operate in Mexico in an amount equal to 12% (twelve percent) of the maximum total value of the supply.

The maximum total value will be obtained by multiplying the USD/MMBtu rate by the volume allocated for supply.

The Guarantee must be valid for 90 calendar days after the end of the corresponding Contract.

This document and its annex, as well as the response received, do not create any obligation for CFEnergía in relation to the service quotation request procedure. The service confirmation will be conditional on the Counterparty Analysis performed by CFEnergía.

**CFEnergía, S.A. de C.V.**