

The Board of Commissioners of Cofece subjects the acquisition of electric power generation plants to compliance with conditions

- *The proposed operation is subject to compliance with conditions imposed by the Board of Commissioners of Cofece to ensure that no risks to competition are generated.*
- *If the conditions are accepted by the parties, Cofece will verify their compliance.*

Mexico City, February 15, 2024. The Federal Economic Competition Commission (Cofece or Commission) informs that the approval of the operation originally notified by *Mexico Infrastructure Partners FF, S.A.P.I. de C.V.* (MIP) and the *National Infrastructure Fund* (FONADIN) to acquire 13 electric power generation plants from *Iberdrola Generación México, S.A. de C.V.* and its subsidiaries (Operation) has been subjected to conditions. Compliance with these conditions will ensure that economic competition of the electric generation market is not affected.

The conditions imposed by the Board of Commissioners oblige buyers to: i) operate the generation plants subject of the Operation independently in the market, and ii) avoid exchanges of sensitive or strategic information between competitors.

Therefore, for the electricity generation plants to operate autonomously and independently, the following conditions were imposed, among others:

- FONADIN or its related parties in the Operation must reduce and maintain their investment by a maximum of 51%, which must be completed within 24 months.
- An independent professional administrator must be appointed, who will be in charge of making decisions related to the operation of the electricity generation plants in the market.
- Controls and mechanisms must be established so that decisions related to the management of the electricity generation plants can only be adopted through qualified voting or with mandatory intervention of institutional investors or independent members.
- Controls and mechanisms must be established that oblige the persons in charge of the operation of the electricity generation plants to act independently and without conflict of interest.

Also, to compel the buyers to avoid exchanges of sensitive or strategic information between competitors, the following conditions were imposed, among others:

- They must appoint a compliance officer totally independent of the parties to verify and guarantee this situation.
- Executives and persons in charge of the operation of the electricity generation plants must refrain from holding positions in any other competitor; in addition, those who have been public officials in the last 4 years cannot be appointed.

Thus, the conditions imposed by the Board of Commissioners of Cofece, as a whole, oblige the buyers to guarantee that, despite FONADIN's investment in the Operation, the electricity generation plants will operate autonomously and independently in the market; without interference or communication with their competitors. These Conditions are valid for 10 years and will be constantly monitored by Cofece through various mechanisms established in the resolution.

Buyers must expressly and unconditionally accept the conditions established by the Board of Commissioners of Cofece to close the Operation and, in case of non-compliance with the conditions once accepted, the sanctions established in Article 127 of the Federal Economic Competition Law (LFCE per its initials in Spanish) may be imposed.

Through the prior analysis of concentrations, Cofece reaffirms its commitment to the Mexican society to guarantee that the efficient functioning of the markets is not harmed, and that conditions of competition and free market access established in the Constitution are preserved for the benefit of the population.

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MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission safeguards competition and free market access. Through its work, it seeks better conditions for consumers, that more services are supplied with higher quality, and that there is a "level playing field" for companies.