

**PUBLIC SERVICE COMPANY OF NEW MEXICO (Company)**  
**PURCHASE ORDER TERMS AND CONDITIONS**  
(Revised 8/2/2023 #502011 v7)

1. **Parties to Purchase Order.** Seller is the firm, person, corporation, or business entity furnishing and/or performing the work specified in the order for goods and services previously sent to you by Company, to which these terms and conditions are hereby attached and made a part of. Collectively, the order and these terms and conditions are hereby referred to as the "Purchase Order". This Purchase Order between Company and Seller includes the following terms and conditions, and any exhibits thereto, and contains the complete and final agreement between Company and Seller.
2. **Contract Formation.** Company offers to enter into a contract with Seller upon the terms and conditions stated in this Purchase Order. Any additional or different terms and conditions proposed by Seller prior to the execution of this Purchase Order, and not contained in a written agreement executed by the Parties, are hereby expressly rejected. Any additional or different terms and conditions proposed by Seller after the date of this Purchase Order shall be of no force and effect unless expressly agreed to in writing by Company's authorized representative. Seller accepts and shall be bound by the terms and conditions of this Purchase Order upon the earlier of (1) the date on which it returns the acknowledgment either electronically or in writing or (2) when it commences performance. No other form of acceptance shall be binding on Company. If the Parties have previously executed an underlying Agreement, such as a Master Services Agreement, Master Goods and Services Agreement, Equipment Purchase Agreement, Master Business Relationship Agreement, Professional Services Agreement, any other underlying Services Agreement (hereinafter referred to as "Master Agreement"), then the terms and conditions of the Master Agreement shall govern and control in the event of a conflict with the terms and conditions of this Purchase Order, unless the Parties specifically state otherwise in this Purchase Order. In the event the Parties execute a Master Agreement after signing this Purchase Order, then the terms and conditions of the Master Agreement shall govern and control in the event of a conflict with the terms and conditions of this Purchase Order, unless the Parties specifically state otherwise in this Purchase Order.
3. **Independent Contractor.** Seller is furnishing goods and/or performing work under this Purchase Order as an independent contractor, and no principal-agent or employer-employee relationship or partnership or joint venture shall be created between Company and Seller, Seller's employees, or Seller's agents. Seller represents to Company that it is properly equipped, organized, staffed, financed, experienced, qualified, insured, and licensed to perform the work under this Purchase Order.
4. **Governing Law, Venue, and Jurisdiction.** The formation, interpretations and performance of this Purchase Order shall be governed by the laws of the State of New Mexico, without regard to the conflicts of law rules of the State of New Mexico, and including any applicable provisions of New Mexico's Uniform Commercial Code. Exclusive venue and jurisdiction for any dispute arising from this Purchase Order is in the State or Federal District Courts for New Mexico.
5. **Compliance with Laws.** Seller represents and warrants that it is familiar with, and at all times shall comply with, all applicable federal, state, tribal and local laws, ordinances, rules, regulations, and orders, which may now or hereafter exist. Company is an equal opportunity employer. Seller agrees that all applicable laws, rules and regulations relating to equal employment opportunities and affirmative action are incorporated herein and are binding on Seller, including Executive Orders 11246, 11625, 11701 and 11758 as amended or superseded from time to time.
6. **Travel.** If provided for in this Purchase Order, Company will reimburse Seller for any actual reasonable costs of travel and subsistence necessarily incurred in the performance of services under this Purchase Order. Other direct costs and expenses that are pre-approved in writing by Company shall be invoiced to Company at the cost actually and necessarily incurred by Seller, without any mark-up whatsoever. Company is not obligated and will not reimburse Seller's costs and expenses for alcoholic beverages, movies, upgrades on automobiles, upgrades on airfare, or any other costs and expenses that are not necessarily incurred in and are not directly related to performance of services under this Purchase Order.
7. **Change Orders.** Company may at any time, in writing, direct or authorize Seller to make changes or modifications within the general scope of this Purchase Order. If such changes or modifications necessitate an increase or decrease in the amount due or in the time required for performance, such matters shall be agreed upon in writing prior to proceeding with the change. No payment shall be made by Company for any change or modification not so directed or authorized prior to proceeding with the change.
8. **Invoicing; Payment.** If Seller's invoice price does not match the Purchase Order price, Company shall pay Seller the lesser amount. Any applicable New Mexico gross receipts tax or other sales tax shall be listed as a separate line item on Seller's invoice. In the event Seller fails to itemize or bill applicable gross receipts or sales taxes at the time of invoice to Company, Seller shall not thereafter seek reimbursement from Company for any such taxes or penalties or interest thereon. If Seller desires reimbursement from Company for any other tax or governmental charge payable by Seller because of the manufacture, sale or delivery of the goods but such tax or charge is not incorporated into the price of the goods quoted by Seller, then Company shall have no obligation to reimburse Seller for such tax or charge unless it is listed as a separate line item on Seller's quote to Company for the goods under this Purchase Order. Seller shall be solely responsible for any taxes based upon Seller's net income. Seller shall be liable for and shall indemnify, defend, and save Company harmless from any interest accrued and penalties imposed due to Seller's failure to make proper payment of any tax to the appropriate taxing authority. Unless otherwise agreed by the Company and Seller, or unless otherwise required under NMSA 57-28-1, *et seq.* (The Prompt Payment Act), terms are net 30 days from date of receipt of Seller's invoice. If any payment is subject to the Prompt Payment Act, (1) Company shall make payment to Seller within twenty-one (21) days after receipt of an undisputed request for payment, and (2) Seller shall make prompt payment to its subcontractors and suppliers for amounts owed for work performed related to this Purchase Order within seven (7) days after receipt of payment from Company. Company shall not be liable for any shipping, handling, fuel surcharge or similar fees, unless expressly provided in the Purchase Order. If Company agrees to freight charges, it shall only pay actual freight charges incurred.
9. **Packaging and Delivery.** Unless otherwise stated on the face of this Purchase Order, the price includes all packaging, dunnage, containers, etc. to protect the goods in transit. Unless otherwise stated on the face of this Purchase Order, the Seller shall deliver the goods F.O.B. at Company's place of business.
10. **Overshipment.** Quantities of goods received in excess of that shown in this Purchase Order may be returned by Company at Seller's risk and expense by means chosen by Company, in its sole discretion. Any excess quantities which Company accepts shall be at a price which shall not exceed the price per unit specified in the Purchase Order for such goods or services.
11. **Inspection.** All goods and services purchased are subject to inspection, test, and approval at destination or worksite, as the case may be, by Company, notwithstanding prior payments or inspections at the source or worksite. Company, without limitation to its other rights under the Purchase Order, may reject any goods which contain defective materials or services which contain defective workmanship, do not conform to the specifications, or are not as ordered. Rejected goods may be returned at Seller's risk and expense. Company shall notify Seller of any defective services, and Seller shall have a reasonable time after notice to cure the defect. If Seller does not cure, Company may retain another party to correct the work and deduct the amount paid to the third party from any amount owed Seller. Additionally, Seller shall pay Company any outstanding amount not covered by the deduction from compensation Company owes Seller. Acceptance of any goods or services shall not be deemed to alter or affect the obligations of Seller or the rights of Company under any other term or condition of this Purchase Order.
12. **Warranties.**
  - 12.1. Seller expressly warrants that all goods furnished pursuant to this Purchase Order shall be manufactured and operate in accordance with applicable specifications, shall be fit for the purposes intended by Company, shall be free from defects in materials or workmanship, shall comply with any warranty or requirements set forth in any applicable Master Agreement, if any, and shall be free from liens or encumbrances of any kind. Seller expressly warrants that all services shall be performed in a good and workmanlike manner in accordance with applicable specifications and industry standards.
  - 12.2. The Seller represents and warrants that all goods and services furnished to Company pursuant to this Purchase Order shall not interfere or adversely affect any computer systems, software and/or equipment being used by Company.
  - 12.3. If not otherwise specified, Seller hereby agrees that the foregoing warranties shall be in effect for twenty-four (24) months from the date of initial installation or thirty (30) months from the date of shipment by Seller, whichever period expires first. Consumables are warranted for a period of ninety (90) days from the date of shipment. Services are warranted for twelve (12) months from the date services were completed.
13. **Time.** Time is expressly agreed to be of the essence for each and every term and condition and provision herein.
14. **Indemnity.** To the fullest extent permitted by law, Seller shall indemnify, defend, and save harmless Company and its affiliates, their directors, officers, employees, and agents from any liability for injury, death, loss, accident, or damage to any persons, or to property, and from any claims, actions, proceedings, and costs in connection therewith, including reasonable attorney's fees, in any way connected to or arising out of the furnishing of the goods and/or services specified in this Purchase Order. This indemnity provision shall apply equally to injuries to Seller's employees. This indemnity shall be in addition to any indemnity set forth in any applicable Master Agreement, if any.
15. **Insurance.** Seller agrees to carry and maintain in effect commercial general liability, or the equivalent, commercial auto liability, worker's compensation, employer's liability insurance and products liability insurance covering all performance under this Purchase Order, in such amounts and with such terms as Company may reasonably require, but in no event less than insurance customarily carried by prudent persons or businesses in Seller's industry.
16. **Assignment.** Seller shall not assign or subcontract any of its rights or obligations under this Purchase Order without the prior written permission of Company. In no event shall Company's written permission be construed as discharging or releasing Seller from the performance of its obligations specified in this Purchase Order.
17. **Proprietary Information and Confidentiality.** Any information or data of Company provided to Seller, or to which Seller is given access during the term of this Agreement at any time, whether such information is in written, verbal, electronic or any other form, is proprietary to Company and shall be treated as confidential and not disclosed by Seller to any third party without Company's prior written consent. Seller may disclose such information and data to its employees and subcontractors, but only on a "need to know" basis. Such information and data may only be used for the purpose of performing the Services that are required of Seller pursuant to this Agreement, and for no other purpose. Such information and data may not be copied except as required to perform the Services. Upon completion of the Services, Seller shall destroy all copies, replicas or reproductions in any form in its possession of the information and data. Notwithstanding the foregoing, the Seller may retain a single copy of such information and data as may be reasonably required for purposes of compliance with the Seller's legal retention policies, and applicable laws and regulations. In addition, the Seller shall not be required hereunder to destroy or remove information and data stored in an electronic database until such time as such data would, in the regular course of business, be purged. Further, Seller acknowledges and agrees that all data and information collected, produced or generated, and all reports, test results, plans, models, documents and other written materials produced pursuant to this Agreement or in connection with any services to be performed or contemplated to be performed hereunder

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- or in connection with any goods to be provided or contemplated to be provided/purchased hereunder, shall be and remain the sole property of Company, shall be confidential, shall not be copied or reproduced in any way, except for the use by Seller for the Services, and shall not be disclosed or communicated, verbally or in writing, by Seller to any third party, or used in any way except as required by law or for the purposes required or intended by the Agreement. If required by Company, Seller and any of its employees or agents performing Services under or in connection with this Agreement shall execute confidentiality and nondisclosure agreements in the form required by Company. If Seller is served with process of law, including but not limited to subpoenas requiring Seller to produce, release or disclose information of a confidential nature received, collected, produced or generated by Seller pursuant to this Agreement contemplated herein, Seller shall immediately notify Company and allow Company, at its sole expense and cost, to challenge the process of law, including any subpoena. A disclosure under this provision means any circumstance when the security, integrity, or confidentiality of any Company information has been compromised, including but not limited to incidents where Company information has been damaged, lost, corrupted, destroyed, or accessed, acquired, modified, used, or disclosed by any unauthorized person, by any person in an unauthorized manner, or for an unauthorized purpose. The duties of this Section 17 will survive the expiration or early termination of this Agreement for a period of five (5) years following such expiration or early termination. All models, maps, drawings, specifications, methods, technical data, computer coding and programs, trade secrets, other documents and information, including, without limitation, business or financial information, furnished to Seller by Company or prepared by Seller or any subcontractor in connection with this Agreement are confidential and proprietary to Company, and shall remain the property of Company, cannot be copied or otherwise reproduced or used in any way, except as necessary, in connection with the performance of the Work, and cannot be disclosed to any third party or used in any manner detrimental to the interests of Company.
18. **Intellectual Property (IP).** Seller expressly warrants that there has been no violation, misappropriation or infringement of any trade secret, patent, trademark, copyright, or other third party property right (including without limitation, any violation of a third party license) in any way connected with or arising out of the furnishing of the goods and/or services specified in this Purchase Order. Seller shall indemnify, defend, and save Company harmless against such claims related to any idea, work of authorship, design, program, process, or other IP provided by Seller to Company under this Purchase Order or created by the Seller under this Purchase Order. Any of the foregoing IP created by Seller under this Purchase Order shall be considered "works for hire" and are the property of Company. Seller shall promptly disclose in writing all such IP to Company. Seller shall assist Company, if Company decides to perfect its title in any of said IP, as well as assist in Company's defense of said IP; at Company's expense. Notwithstanding any other provision herein to the contrary, Seller or applicable third-party owner shall retain all rights of ownership and title in its respective firmware and software, including all copyrights relating to such firmware and software and all copies of such firmware and software. Except as otherwise provided herein, Company is hereby granted a nonexclusive, irrevocable, royalty free license to use firmware and software, and copies of firmware and software, incorporated into the goods only in conjunction with such goods. Company's use of certain firmware (as specified by Seller) and all other software shall be governed exclusively by Seller's and/or third-party owner's applicable license terms.
19. **Cancellation and Termination.**
- 19.1. Company may cancel all or any part of this Purchase Order upon the occurrence of any of the following events: (1) Seller becomes bankrupt or insolvent or (2) Seller fails to perform or violates any of the provisions of this Purchase Order.
- 19.2. Company may also suspend or terminate all or any part of this Purchase Order at any time at its sole convenience by written notice to Seller without incurring any liability to Seller for lost profits or any other costs or damages other than the proportionate value of the purchase price for services completed onsite or goods delivered. Termination shall be effective upon actual receipt by Seller or its representative of the notice, or 48 hours after deposit of the notice in the US mail, whichever occurs first. Upon termination pursuant to this section, provided Seller is not in default, Company shall pay Seller for any non-cancellable actual costs incurred prior to termination. In no event shall such amounts exceed the unpaid part of the Purchase Order price. No termination, restocking or other charges shall be paid for an order terminated either before the planned delivery date or before the goods were shipped.
- 19.3. Seller's warranties and Seller's liability for defective or non-conforming work or goods, as well as any other undertaking or obligation as set forth in Sections 4, 12, 14, 18, 19 and 22, of this Purchase Order, shall survive cancellation and termination and remain in full force and effect.
20. **Audit.** Company reserves the right to audit and to examine any cost, payment, settlement or supporting documentation relating to any Purchase Order. Seller shall refund to Company the amount of any exception found in the audit within ten (10) days of written notice of the exception.
21. **Electronic/Facsimile Transmission.** If this Purchase Order is transmitted by fax or by other means of electronic transmission, such transmission shall have the legal significance of a duly executed original delivered to Seller.
22. **Validity.** The invalidity, in whole or in part, of any terms or conditions of this Purchase Order shall not affect the validity of any other terms or conditions.
23. **Disputes.** If the Parties are unable to resolve any dispute within thirty (30) days after written notice by one Party to the other Party of the occurrence of the event or circumstances giving rise to the dispute, the dispute may be submitted to mediation upon the mutual agreement of the Parties. In the event the Parties do not agree to mediate the dispute or are unable to resolve the dispute through mediation and the aggregate amount of the claim (including counterclaims) is less than One Hundred Thousand Dollars (\$100,000), then the dispute shall be resolved by binding arbitration. Except as set forth herein, such arbitration shall be governed by the Commercial Rules of the American Arbitration Association, as amended from time to time. A Party demanding arbitration shall give the other Party timely notice of such election pursuant to **Section 30 "Instructions and Notices"**, with a copy to PNM Services Company-Legal Department, 414 Silver Ave SW, MS-0805, Albuquerque, New Mexico 87102, and such notice shall describe the nature of the dispute and the amount in controversy. The Parties shall then jointly select an arbitrator and failing such mutual agreement within ten (10) days after written notice demanding arbitration, the arbitrator shall be appointed by the Chief Judge of the Bernalillo County District Court in New Mexico. The arbitration shall be held in Albuquerque, New Mexico. Discovery shall be by agreement of the Parties or as ordered by the arbitrator, provided that the Parties shall comply with the following minimum discovery requirements: at least ten (10) calendar days prior to the arbitration, the Parties shall exchange copies of all exhibits to be used at the arbitration and a list of witnesses and a summary of the matters as to which each witness is expected to testify.
24. **Survival.** Seller's warranties, indemnities and other obligations under this Purchase Order shall survive consummation of the transaction contemplated by this Purchase Order.
25. **Remedies.** The remedies reserved in this Purchase Order are cumulative and in addition to any other remedies in law or equity which may be available to Company. The election of one or more remedies shall not bar the use of other remedies unless the circumstances make the remedies incompatible. Notwithstanding anything to the contrary contained in this Purchase Order or related documents, in no event shall Seller be entitled to any payment on account of lost profits, incidental damages, consequential damages or punitive damages.
26. **Complete Order.** This Purchase Order expressly incorporates any supplemental documents attached hereto and the terms and conditions set forth in any applicable Master Service Agreement or Master Goods and Service Agreement is the entire agreement between Company and Seller and supersedes all other oral or written provisions not referenced or included herein. THE PARTIES HEREBY AGREE THAT NO TRADE USAGE, PRIOR COURSE OF DEALING OR COURSE OF PERFORMANCE UNDER THIS AGREEMENT SHALL BE PART OF THIS AGREEMENT OR SHALL BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT. No modification of any of the provisions shall be binding on Company unless expressly agreed to in writing.
27. **Regulatory Compliance and Non-Discrimination.** The Seller must comply with all applicable laws, ordinances, rules, regulations and orders of any public authority having jurisdiction ("Laws") including, without limitation the applicable provisions of the following, all as amended and in effect as of the date of this Purchase Order: the Anti-Kickback Act (41 U.S.C. Sections 51 *et seq.*), the Civil Rights Act of 1964 (42 U.S.C. Section 9000a *et seq.*), Executive Orders 11246 and 11375, the Age Discrimination in Employment Act of 1967 (29 U.S.C. Section 621 *et seq.*), the Rehabilitation Act of 1973 (29 U.S.C. Sections 701 *et seq.*), the Americans With Disabilities Act of 1990 (42 U.S.C. Section 12101 *et seq.*), and of all other applicable Laws dealing with labor and wages, workmen's compensation, employer liability, unemployment compensation, old age benefits, safety, antitrust and anti-collusion, fair trade, the environment, equal employment opportunity and discrimination on the basis of race, color, religion, gender, national origin, veteran's status or disability.
28. **Waiver.** Waiver, forbearance or inaction by Company of any Purchase Order term or condition shall not be deemed a waiver of future compliance with all terms and conditions of this Purchase Order, and all such terms and conditions shall remain in full force and effect.
29. **Complete Order.** This Purchase Order expressly incorporates any supplemental documents attached hereto and, subject to the qualifications set forth in Section 2 of this Purchase Order, sets forth the entire agreement between Company and Seller, and supersedes all other oral or written provisions. THE PARTIES HEREBY AGREE THAT NO TRADE USAGE, PRIOR COURSE OF DEALING OR COURSE OF PERFORMANCE UNDER THIS AGREEMENT SHALL BE PART OF THIS AGREEMENT OR SHALL BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT. No modification of any of the provisions shall be binding on Company unless expressly agreed to in writing.
30. **Instructions and Notices.**
- 30.1. RENDER ITEMIZED SINGLE COPY INVOICE FOR EACH SHIPMENT ON THIS PURCHASE ORDER, SHOW UNIT PRICE, DISCOUNT, PURCHASE ORDER NUMBER, AND DESTINATION. INCLUDE COMPANY'S P.O. NUMBER ON YOUR INVOICE. SEND ALL INVOICES TO:
- Public Service Company of New Mexico  
c/o PNM Services Company  
414 Silver Ave. SW, MS 1055  
Albuquerque, New Mexico 87102  
Attn: Accounts Payable
- For ease and faster processing Seller may optionally\* submit invoices electronically to Company referencing this Purchase Order number, together with such documentation as PNM may require, to the following email address:
- [pnm.accounts@pnmresources.com](mailto:pnm.accounts@pnmresources.com)

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\*(Seller shall refrain from utilizing both email and US mail methods when submitting invoices as this practice may result in payment duplication and payment processing delays)

30.2. SEND ALL NOTICES, CORRESPONDENCE, ACKNOWLEDGMENTS, AND SHIPPING INFORMATION TO:

PNMR Services Company (addressed to the Sourcing Analyst named on the face of the Purchase Order documentation you received from Company).

30.3. ENCLOSE PACKING LIST AND SHOW COMPANY'S PURCHASE ORDER NUMBER ON EACH PACKAGE.

31. **Restrictions Regarding Specially Designated Nationals.** The Office of Foreign Assets Control ("OFAC") in the Department of Treasury ("Treasury") publishes and regularly updates an integrated and comprehensive list of designated parties referred to as Specially Designated Nationals ("SDNs") with whom U.S. persons are prohibited from conducting transactions or providing services, and whose assets are blocked. Seller represents and warrants it has checked the SDN list and that neither Seller, nor any of its employees or subcontractors who may provide services pursuant to this Purchase Order, is currently on that list.