

**TERMS OF REFERENCE
OF
THE UNITED STATES-MEXICO ENERGY BUSINESS COUNCIL**

In accordance with commitments made at the January 2015 meeting of the U.S.-Mexico High Level Economic Dialogue to enhance collaboration between U.S. and Mexican federal government agencies related to energy and to intensify coordination with the business community in this sector by creating a business-to-business energy council:

- I. The U.S. Department of Commerce, represented by the Under Secretary of Commerce for International Trade, and the U.S. Department of Energy, represented by the Assistant Secretary of Energy for International Affairs, on the one hand (hereinafter the “U.S. Participants”); and the Ministry of Economy of the United Mexican States represented by the Under Secretary of Foreign Trade, and the Ministry of Energy of the United Mexican States, represented by the General Director of Investor Relations and Promotion, on the other hand (hereinafter the “Mexican Participants”), (hereinafter collectively, the “Participants”); plan to convene the United States – Mexico Energy Business Council (hereinafter the “Council”), which is comprised of (1) the U.S. Participants and Mexican Participants and (2) a Committee, comprised of a U.S. Section and a Mexican Section, each comprised of private sector Members, as described herein. The Council’s objective is to bring together representatives of the respective energy industries of the United States and Mexico to discuss issues of mutual interest, particularly ways to strengthen the economic and commercial ties between energy industries in the two countries, and to communicate actionable, non-binding recommendations to the U.S. and Mexican governments. These Terms of Reference are intended to provide a general framework to guide the Council’s work program, which may commence upon signature of these Terms of Reference.

- II. The Council’s objectives are to 1) facilitate the exchange of information between representatives of the energy industries from the United States and Mexico; and 2) encourage the development of actionable, non-binding recommendations for the benefit of the Participants’ governments. This information exchange and the Council’s joint recommendations have as objectives:
 - A. promoting increased two-way investment in the energy industry;

 - B. promoting two-way trade in goods and services produced by and used in the energy industry, including the oil and gas, renewable energy, electricity, nuclear energy, and energy efficiency sub-sectors;

- C. promoting the development of binational value chains in the production of goods and services in the energy sector;
 - D. promoting the development of modern energy infrastructure and bolster energy efficiency and security;
 - E. fostering an enabling environment for the rapid development, deployment, and integration of new energy industry technologies – including clean renewable energy technologies – into the marketplace;
 - F. improving competitiveness through innovation and entrepreneurship in the energy industry, to include the promotion of technology exchanges and research partnerships; and
 - G. partnering in skills development to create solutions in training and education to address evolving energy industry workforce needs.
- III. Private sector members of the Council (the “Members”) are expected to be senior representatives (e.g., Chief Executive Officer, Vice President, Regional Manager, Senior Director, etc.) of individual companies, trade associations, or private sector organizations whose activities focus on the manufacture, production, commercialization and/or trade of goods and services for the energy industries in the United States and Mexico. Members should represent a diversity of energy industry sub-sectors, be able to offer a broad perspective and business experience to the discussions, and be capable of addressing cross-cutting issues that affect the entire industry sub-sector they represent. To the extent possible, Members also should represent a cross-section of small, medium-sized and large firms from both countries.
- IV. Members of the Council are expected to freely exchange information, best industry practices, and points of view among themselves and provide actionable, non-binding recommendations addressed to the Participants’ governments that reflect their views, needs, and concerns regarding creating an environment in which their respective energy industries can participate, thrive, and enhance bilateral commercial ties that could form the basis for expanded trade and investment between the United States and Mexico.

- A. Members are expected to conduct activities within the framework of a single Committee (the “Committee”) comprised of two sections (the “Sections”), a U.S. Section and a Mexican Section, which should work closely to develop actionable, non-binding recommendations. The U.S. Participants and Mexican Participants should strive to appoint and maintain 10 Members within their respective Sections, representing the views and interests of the private sector business community, including their respective energy industry sub-sector and the energy industry more broadly. Each Section should strive to maintain at least one representative from each of the oil and gas, renewable energy, electricity, nuclear energy and energy efficiency industry sub-sectors at all times.
- B. U.S. Participants and Mexican Participants plan to appoint the Members to their respective Sections through a process they each deem appropriate, and advise the Participants of the other country of any Member’s name and job title in advance of that Member’s participation in any meeting of the Section, Committee, or the Council.
- C. The U.S. Participants and Mexican Participants plan to appoint the Members of their respective Sections for two-year terms with uniform start and end dates, and advise the Participants of the other country of the Members so appointed in advance of any Member’s participation in any meeting of the Council. Members may be reappointed by the Participants based on the needs of the Council and their continued demonstrated commitment to advancing the work of the Council.
- D. Once the Members of each Section are appointed, each Section is expected to elect a chairperson (the “Section chairperson”) from its respective Members (i.e., one from the U.S. Section and one from the Mexican Section). The Section chairpersons are expected to be responsible for facilitating the production of the Committee’s recommendations and working with the Participants to organize Council meetings.
- E. In Council meetings, the Committee is expected to be limited to the appointed Members; substitutes or alternates are not expected to be designated in place of appointed Members. The Participants, in consultation with the Section chairpersons, may invite outside parties to participate in Council meetings in non-official capacities (i.e., the invitees should not participate in the proposal and approval of the Committee’s recommendations) where desired, or may arrange Council meetings that are, wholly, or in part, open to the public.

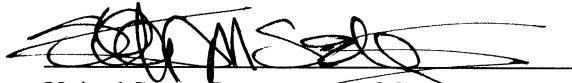
- F. All recommendations are expected to be provided to the Participants by the Committee through the Council, and when appropriate the Committee may meet separately from the Council to develop its recommendations.
 - G. Where desired, and in consultation with the Participants, Working Groups may be created by the Committee to address cross-cutting issues. Such Working Groups are expected to include Members from both Sections and be equally balanced between Members from each Section. The Participants, or their designated officers (as defined in Section VI), are expected to be invited to participate in all Working Group meetings and/or activities.
 - H. Working Groups of the Committee are encouraged to meet separately from the Committee, as may be necessary to facilitate the development of actionable recommendations.
 - I. Each Section may meet separately from the Committee as may be necessary. The Members of each Section are intended to serve at the discretion of the Participants that appointed them.
- V. The Participants plan to convene an initial meeting of the Council and subsequent meetings, as necessary, to receive recommendations from the Committee. The Council is expected to meet twice a year, once in Mexico and once in the United States. Meetings of the Council are expected to be conducted on the basis of mutual consent, and the Participants may, as necessary, adopt procedures and work programs to guide its activities. Meetings of the Council are expected to occur at times and places determined by the Participants, in consultation with the Section chairpersons.
- VI. The Participants intend to be responsible for the administrative operations of the Council. The Participants intend to provide at least one designated officer from a relevant section or department of their respective governments to work with the Section chairpersons to arrange organizational and other matters in connection with Council meetings.
- VII. In consultation with the Section chairpersons, the Participants and/or their designated officers intend to establish specific goals for each Council meeting and should finalize an agenda not later than one week prior to the meeting.

- VIII. Prior to each meeting, and in consultation with the Participants and their designated officers, the Committee Members should work together to finalize actionable recommendations, to be delivered in a form deemed appropriate by the Section chairpersons in coordination with the designated officers. The designated officers and the Section chairpersons are expected to be jointly responsible for ensuring that recommendations represent the consensus view of the Committee.
- IX. The Section chairpersons are expected to organize Committee meetings, teleconferences and exchanges involving both U.S. and Mexican Members, in order to develop a set of recommendations. The Section chairpersons are expected to be responsible for ensuring that the views of each Section are fully conveyed within the Committee. Any written report decided upon during the work of the Committee should be produced in both the English and Spanish languages.
- X. Any recommendations provided by the Council are non-binding and create no legal obligations on the part of the U.S. or Mexican Governments.
- XI. Senior-level government officials, including those who lead the U.S.-Mexico Bilateral Framework on Clean Energy and Climate Change, the United States -Mexico High-Level Economic Dialogue, the United States -Mexico High- Level Regulatory Cooperation Council, and other work groups, may be invited to meet with the Council, as appropriate, to receive and discuss the Committee's recommendations.
- XII. Members are expected to serve without compensation for their participation in Council activities. Travel and individual expenses associated with Members' participation in Council meetings, including Committee and Section meetings, are expected to be borne by the Members. Activities of the Participants under these Terms of Reference are subject to the availability of appropriated funds, personnel, and other resources, and to applicable laws and regulations to which they are subject.
- XIII. These Terms of Reference do not create any legal obligations under domestic or international law.

XIV. These Terms of Reference may be modified at any time by mutual written consent of the Participants.

Signed in quadruplicate in the English and Spanish languages.

For the U.S. Participants:

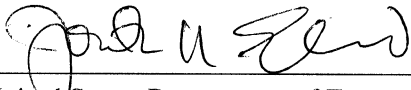


United States Department of Commerce

Name: Stefan M. Selig

Date: May 17, 2016

Place: Washington, DC, USA



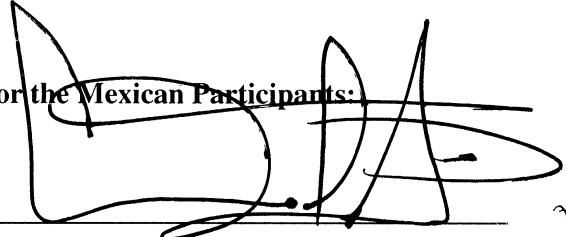
United States Department of Energy

Name: JONATHAN ELKINS

Date: MAY 17, 2016

Place: Washington, DC, USA

For the Mexican Participants:

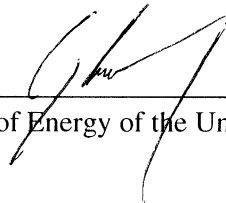


Ministry of Economy of the United Mexican States

Name: Francisco de Rosenzweig

Date: May 6th, 2016

Place: Mexico City



Ministry of Energy of the United Mexican States

Name: Gabriel Heller

Date: May 6th, 2016

Place: Mexico City