Policy

1. Name of the Policy

Policy on Managing Conflicts of Interest.

2. Scope

All people who work for or provide services to the companies of Grupo Financiero Banorte, S.A.B. de C.V. (GFNorte).

3. Policy Content:

1. Definition of conflict of interest:

A. A conflict of interest is defined as a circumstance or situation in which the interests of financial institution that belongs to Grupo Financiero Banorte may affect its performance or impartial participation in the administration, management, direction or execution of a business with another financial institution that is a member of the same financial group, which it has a legal, conventional or fiduciary duty to act in the interests of the other party in question.

B. A conflict of interest exists in the performance of the faculties of administration, management, direction and execution of the businesses of one or more financial institutions belonging to GFNorte, when the financial institution in question:

1. May obtain a financial benefit or avoid a financial loss at the expense of the other financial institution belonging to GFNorte.

2. Has a financial or other type of incentive to favor the interests of a third party over the interests of GFNorte;

3. Receives or intends to receive from a third party an incentive or consideration beyond what is usually received for that service, to develop that business to the detriment of another financial institution belonging to GFNorte;

4. Uses information from the other institution to the detriment of that institution, or of the public interest, for its own benefit;

5. Enters into transactions between itself and other institutions belonging to GFNorte that differ significantly from the conditions prevailing on the market for that type of transaction;

6. Uses practices that affect the development and sound operation of any of the companies that make up GFNorte, or the interests of the public that uses its financial services.

7. Commits any act or omission that places the interests of any member of GFNorte above the interests of another member.

C. Conflicts of interest should also be identified and managed in relation to the various business lines and activities of the financial institutions belonging to GFNorte.

2. Regulatory framework:

A. GFNorte, through the general management office of each of its member companies, must maintain and apply preventive policies in its administration and organization in order to adopt all reasonable measures to prevent conflicts of interest that compromise the faculties of administration, management, direction and execution of business for any of the financial institutions that belong to the group. The foregoing in accordance with the Law to Regulate Financial Groups, the General Rules on Financial Groups, and the Corporate Bylaws of GFNorte.

3. Conflict of interest system map:

A. The system for preventing conflicts of interest arises from the regulatory framework mentioned in point 2, above, and is based on the internal control objectives and guidelines approved by the Board of Directors.

B. The core of this system rests on two fundamental pillars: The first, a commitment to regulatory compliance based on the processes of companies that make up GFNorte and framed within policies, procedures and the Code of Conduct, which in turn establishes the guidelines on how officers and employees should act in various situations, including when dealing with the competition; and the second, relating to the aspect of monitoring, information flow and tracking of possible conflicts of interest by the committees that make up the corporate governance system.

C. Internal regulations establish that responsibility for implementation of the system to prevent conflicts of interest rests with the Audit and Corporate Practices Committee; however, the general director of the specialized business, support and control areas whose responsibilities involve making decisions for more than one company of GFNorte should regularly disclose whether conflicts of interest have arisen in their sphere of action and what measures were taken to resolve them.

4. Guidelines on prevention of conflicts of interest:

A. At GFNorte and each of its constituent companies, guidelines must be observed for maintaining an appropriate system of conflict of interest prevention. To this end, the goals, policies, plans, methods, procedures, information and day-to-day record keeping should observe at least the provisions of sections 5 through 13 of this policy.

5. Separation of the business units which by nature may produce a conflict of interest:

A. **Organizational structure**: The Board of Directors is the body responsible for approving on an annual basis the organizational structure down to the second level of responsibility, understood as the management positions that report directly to the General Management of GFNorte. The Secretary of the Board of Directors must certify approval of the organizational structure in the minutes of the corresponding meeting.

B. **Structural changes**: Changes in the first and second levels of the organizational structure, and the appointment of any executive at the level of Deputy Managing Director reporting directly to the CEO of GFNorte, must be previously discussed with the Audit and Corporate Practices Committee.

C. **Absence of conflicts of interest**: In the responsibilities assigned to these positions, the Board of Directors must ensure that there are no conflicts of interest by assigning promotion, authorization and record-keeping activities to different units. Furthermore, the Internal Audit area must remain independent at all times of the General Direction of GFNorte and the areas reporting to it.

6. Flow of information between business unites belonging to GFNorte;

A. Within the legal and regulatory framework, the financial institutions that make up GFNorte may share information amongst themselves, and the chief executive officer of each company must endeavor at all times to establish controls to guarantee the security of the information in question.

B. The classification, administration and handling of information on GFNorte and its companies must be conducted in keeping with the existing laws and regulations.

C. In the specific case of information that is classified as inside and/or confidential, the disclosure of information on material events to stock exchanges and the sharing of information between business units, the following controls must be applied to prevent possible conflicts of interest and ensure appropriate use of information:

1. Board Members, officers and employees are prohibited from engaging in securities market transactions that represent a conflict of interest.

2. In the disclosure of material events, a record must be kept of the names of all the parties who had access to the information being disclosed, the documents they may have been aware of, and the date, form, media and hour in which those circumstances occurred.

3. With regard to the flow of information, the Securities Industry and Financial Markets Comptroller and the Internal Audit areas are responsible for ensuring that there are Chinese walls between the Investment Banking, Structured Financing, Corporate Banking, Business Banking, and Government and Infrastructure Banking areas and proprietary traders, and the areas that provide investment services.

D. The records of employees with access to confidential and inside information, and their knowledge of information pertaining to the material events disclosed to stock exchanges, must be delivered to Deputy Managing Director and placed at the disposal of the Internal Audit area for a period of 5 years.

7. Keeping of records on services and activities of the business units of financial institutions when they are presumed or proven to have acted with conflicts of interest.

A. In accordance with the Code of Conduct and the Internal Control Objectives and Guidelines, board members, officers or employees of GFNorte who have direct or indirect knowledge of an irregular act, observable conduct, conflict of interest or breach of regulations that may constitute or represent a damage to the property of GFNorte or its clients, or which represents a breach of any of the principles of the current Code of Conduct, must report it to the Office of the Deputy Managing Director of Comptrollership and/or the Directorate of Special Affairs Audit and Claims Directorate, or through the whistleblowing system or the online channels provided by the institution.

B. To this end, the guide on application of sanctions must be applied, which requires that cases be presented to the Security Committee, the only body with the authority to determine sanctions, based on the distinguishing features or characteristics of the irregular act such as bad faith, economic impact, recidivism, and others.

1. The decisions of the Security Committee must be recorded in the minutes of the corresponding meeting.

2. The Office of the Chief Administrative Officer is responsible for implementing the Committee's resolutions, adding any written admonishment to the employee's file.

8. Responsibilities of board members, officers and employees to abstain from any decision or action in which they have a conflict of interest:

A. Board members, officers and employees must be informed of the Code of Conduct at the moment they become part of GFNorte, and must sign a pledge to act in accordance with its guidelines. The Code is grounded in a standard of doing business in good faith, with absolute honesty and in accordance with the law. Accordingly, those to whom the Code applies must accept the following responsibilities:

1. Abstain from participating in discussions in board meetings of the bank and in other corporate governance bodies in which loans in which they have a direct interest are submitted for authorization. Additionally, in the event of the authorization of a related credit (as defined in article 73 of the Credit Institutions Law), the terms and conditions agreed upon must under no circumstances be more favorable than other transactions of the same kind carried out with the general public.

2. Abstain from any securities-market transactions that represent a conflict of interest.

3. In extending credit to related parties (as defined in article 73 of the Credit Institutions Law) and in transactions with persons with relevant ties as defined in the Rules of Banco de México Circular 15/2012, in effect as of October 11, 2012, the protocols of internal and external authorization established in that regulation must be followed; in the case of transactions with persons with relevant ties, they require a statement under oath to the effect that the respective contract or legal act was carried out in accordance with prevailing market conditions at the time of its signing.

4. Each year, the Board of Directors checks that the content of the Code of Conduct remains up to date and reflects the highest standards of ethics and integrity, instructing the CEO of GFNorte to promptly notify personnel of any changes through the corresponding regulatory bulletin. Furthermore, employees confirm their acceptance of the code each year and sign a commitment to act in accordance with the directives of this document in all their business relations with customers, suppliers, authorities and co-workers.

9. Guidelines on resolving conflicts of interest that arise:

A. The Labor Sanctions Manual provides a guide for resolving conflicts of interest; additionally, the Security Committee is responsible for analyzing the origin of the harm or risk stemming from irregular events involving outside parties or employees, and taking precautionary measures to avoid it by modifying operating or administrative processes and sending alert messages to senior management, officers and employees.

B. The decisions of the Security Committee must be recorded in the minutes of the corresponding meeting, and the Chief Executive Officer is responsible for carrying out those decisions, incorporating any admonition into the employee file of the person(s) in question.

10. Regular review to prevent conflicts of interest:

A. In accordance with internal regulations, in the execution of its duties and exercise of the responsibilities assigned to it, and in keeping with the annual work plan authorized by the Audit and Corporate Practices Committee, the General Audit Department must continually be on the alert for the possible existence of intentionally incorrect acts, errors, admissions, inefficiencies, wastefulness, inefficacy, and conflicts of interest. Furthermore, it must identify any inadequate controls in the processes it audits, recommend the establishment and implementation of acceptable practices, and evaluate, when necessary, any adjustments to the system to prevent conflicts of interest.

B. The Legal, Credit and Risk, Comptrollership (with the support of Process and Management Controllers), the Chief Information Security Officer (CISO), and Internal Audit Control areas, each of them within the scope of their responsibilities, must assist in detecting risks and maintaining an appropriate internal control system, including implementation of measures focused on preventing conflicts of interest.

C. Additionally, the Audit and Corporate Practices Committee approves the Institution's operating manuals on a quarterly basis, specifically the sections relating to internal control policies and procedures. Before they are issued, these manuals must be approved by the departments involved in the process and reviewed by the internal audit area.

D. The head of the audited area is informed of the results of the audit, and any observations and recommendations stemming from the audit will be registered in the Audisoft system through which the internal audit area will follow up on the agreed-upon remediation plans and the date they are expected to be implemented. Audit observations classified as "very high" risk must also be communicated to the Audit and Corporate Practices Committee.

E. To control operating risks, the Executive Operational Risk Department uses a governance, risk and compliance (GRC) system under which Process and Management Controllers report on the operating risks detected in the process they oversee and follow up on corrective plans until their completion. Issues classified as very high risk or requiring attention are presented to the Risk Policy Committee.

11. Transactions between GFNorte companies in keeping with prevailing market conditions:

A. Pursuant to article 45-S of the Credit Institutions Law, the Deputy Managing Director of Tax Affairs, through the Senior Tax Officer, requests an independent auditor each year to prepare a study on transfer prices in order to determine whether transactions with related parties have been conducted according to the principle

of market value. This report is delivered to the National Banking and Securities Commission in the first quarter of each year, and proof of receipt taken for any further inquiry.

B. There are also corporate governance bodies that oversee transactions, even those between companies belonging to the same group, to ensure that they are conducted according to the law. For example, the Financial Markets Committee is in charge of ensuring that financial instruments eligible for inclusion in proprietary portfolios meet the characteristics established in the applicable rules, regulations and standards at the time of their acquisition; while the Balance Management (ALCO) Committee, among other duties, authorizes transactions with assets between companies of GFNorte. Nevertheless, each of the Committees supporting both GFNorte's Board of Directors and Executive Management must remain on the alert to detect and report on possible conflicts of interest that may arise in the matters dealt with in their corresponding meetings, assigning in each case a person responsible for following up and keeping the governance body informed of the mitigation plans established for this purpose.

C. In the audits it conducts of various processes, the Internal Audit area may ask to view the transfer price study submitted by the independent auditor, for its own review and analysis, in order to ascertain whether transactions were carried out in accordance with market prices.

12. Responsibility for implementing the conflict of interest prevention system:

A. The Audit and Corporate Practices Committee is responsible for implementing a system to prevent conflicts of interest, ensuring at all times that this system operates in accordance with GFNorte's strategies and taking the necessary preventive and corrective measures to remedy any deficiency detected in a reasonable period of time, in mind of the characteristics of those measures.

B. In matters of internal control, the duties of the Audit and Corporate Practices Committee include overseeing the creation of mechanisms and internal controls for verifying that all acts by GFNorte and the financial institutions that comprise it are carried out according to law, and introducing methodologies to ensure that they are followed; Additionally, it must inform the Board of Directors of the status of GFNorte's internal control system and those of the financial institutions or the corporations in which GFNorte holds a controlling position, including any irregularities that it may have detected.

C. Within the sphere of its duties, this committee also investigates any breaches of the regulations of which it becomes aware, regarding acts, guidelines and operating policies, the internal control system and the internal audit and bookkeeping systems, whether of GFNorte or the financial institutions that comprise it. To do so, it examines the documentation, records and other evidence, to the degree and extent necessary to correctly perform the oversight faculties entrusted to it by the Board of Directors.

D. Prevention of possible conflicts of interest intrinsic to the reviews by the General Audit Department, in accordance with the annual work plan authorized by the Audit and Corporate Practices Committee, the results of which are reported to this committee in the required time and form. The bylaws of the Audit and Corporate Practices Committee are posted on the institutional regulation website and must be consistent with the provisions of external regulations.

13. Regular conflict of interest disclosure:

A. The specialized business, support and control areas whose duties require them to make decisions for more than one company of the Financial Group must present a letter to the secretary of the Audit and Corporate Practices Committee each year in the months of July and January, notifying it whether, in the course of its duties, it has detected any situation that might be considered a possible conflict in of interest as defined in the General Rules on Financial Groups, and any actions that may have been taken in this respect.

B. The Chief Administrative Officer, with the support of the Deputy Managing Director of Comptrollership, must regularly analyze the list of personnel subjects to the scope of this policy and keep it up to date according to any organizational changes that occur in each half -yearly period.