

Internal Control Objectives and Guidelines

Scope:

- This Manual is of general application for the companies comprising GFNorte.

1. Introduction

A. Grupo Financiero Banorte (GFNorte) pays special attention to internal control when performing its operations, in the origination, processing and disclosure of its accounting and financial information, in its relationships with its Board of Directors, investors, clients, authorities, suppliers and the public and the performance of the regulations applicable to it.

B. The Internal Control System (SCI) of GFNorte sets forth the following general objectives and guidelines, which provide the setting for the actions and responsibilities of all members of personnel at the core of primary control functions and has specialized areas to support the monitoring and surveillance of its risks and controls. We are convinced that having an appropriate control environment is one more of the competitive advantages that will support the growth of our presence in the Mexican financial market.

C. The objectives regarding internal control and the general guidelines derived therefrom have been approved by the Board of Directors of GFNorte and are the pillars of SCI, which is based on the principle that the members of the Board of Directors themselves, the collegiate bodies, the Senior Management, all officers and employees are part of Internal Control.

D. The SCI is structured in three defense lines:

- 1. First:** The owners of the business and support processes are first responsible for the internal control of their activities;
- 2. Second:** The Risks and Credit, Legal and Comptrollership areas, which provide support with permanent monitoring and control activities; and
- 3. Third:** Internal Audit, which with the independence given to it by its report to the Audit and Corporate Practices Committee, reviews the activities and the proper development of the functions of all areas.

2. Internal control structure:

A. An appropriate internal control structure allows to generate the control environment necessary to facilitate the implementation of control activities, which positively affects risk management, reliability of the financial information and compliance with regulations. The Internal Control structure of GFNorte is evidenced in the institutional standards.

3. Internal Control Objectives:

A. That GFNorte operates according to the strategies defined by its Board of Directors having the necessary human, technological and material resources; efficiently using them, trying at all times to assist in the maintenance of the environment.

B. That there is an appropriate decisionmaking process and a reliable disclosure of information to its Board of Directors, investors, clients, competent authorities, suppliers and the public, with information systems with the required quality, sufficiency, safety and timeliness.

C. That the risks are identified, assessed and monitored to keep an effective control thereof and reduce to a minimum any possible losses through the appropriate management thereof.

D. That operation processes conform to the resolutions of its Board of Directors and assessed to verify the operation of controls and take, if applicable, any corrective measures in a timely manner.

E. That the operation complies with the external and internal regulations.

F. That officers and employees perform their jobs with discipline, ethically, enthusiastically, and in compliance with the regulations, being aware of their obligation to act according to the principle of doing things right since the first time and not to rely on the reviews made by other areas.

4. General internal control guidelines:

A. Regarding human resources:

1. **Non-Discrimination:** Any discrimination in hiring, compensation, access to training and/or promotion, because of sex, age, religion, race, social origin, disability, ethnic origin, nationality, sexual preference, family

responsibilities, civil status or any other condition that may lead to discrimination is prohibited.

2. **Organization:** The organizational structure proposed by the Director General must conform to the strategies defined and submitted to the Audit and Corporate Practices Committee, to be approved by the Board of Directors, that must also approve any modification up to the level ranking below the Director General.
3. **Compensations and Benefits:** The compensation scheme shall be the one authorized by the GFNorte's Management through the Management and Human Resources Director General's Office, which shall ensure that personnel compensations are equitable among similar positions and functions, and according to market conditions.
4. **Appointments:** The information requirements set forth by the internal and external regulations must be covered in every designation for the positions of Director General and of the next two lower ranking positions.
5. **Publication of vacancies:** Any vacancies for Assistant Directors and lower ranking positions must be published internally by the Recruitment Executive in the SuccessFactors platform in the "Development Opportunities" module, provided they are not positions subject to any promotion ladder and/or confidential.

For any Management levels, any vacancies that do not have a replacement letter shall be published in the "SuccessFactors" platform. For Executive Direction, Assistant General Direction and General Direction levels, internal candidates shall be considered to participate in the process according to their position in the talent matrix and the required profile.

6. **Promotions:** The employees and officers having any personnel in their charge shall not deny them the opportunity to participate in a candidate selection process for a higher position. In the event that no member of the work team is elected, the immediate boss shall not oppose the promotion of the personnel.
7. **Definition and Assessment of Objectives:** The employees and officers, who according to their rank in the Organization or functions, are subject to an annual assessment of their performance, must adhere to the Institutional model, which aim is to promote the continuous review of the individual and group work, promote the alignment of objectives, and foster effective communication between the employee and his/her immediate boss. Every six months, the objectives set forth at the beginning of the year must be reviewed, and the immediate boss must give feedback on any achievements, indicating whether it is necessary or not to readjust the original approach.

8. **Description of Positions:**The position as General Director and all second-level positions of any senior personnel must describe their functions and responsibilities in a clear manner, including those related to the control of their processes and the required profiles.
9. **Conflict of Interest:** It must be monitored that no conflict of interest exists in the whole process or operation, with conflict being understood as the fact that the interests of the organization are opposed to the personal interests or the functions of whoever performs them. GF Norte forbids any Director, Officer or Employee from taking any reprisal against his/her superiors, peers and subordinates for having reported any failures to comply with any regulations or principles of the Code of Conduct. Any reprisal must also be discreetly reported to the Comptrollership Assistant Director General's Office and/or the Audit Execute Director's Office Banking and Affiliate Operations, or through the electronic channels established at the Institution.
10. **Separation of Functions:**In the design of the organizational structure, the authorization, execution, assessment, conciliation, custody and recording functions must be duly separated, and there must be an appropriate independence among any areas that have different functions in critical processes. Likewise, the delimitation of functions must allow for the efficiency and efficacy in the performance of the personnel activities.
11. **Authorities:** Only the duly authorized personnel, taking into consideration the limits set forth in the regulations, as well as those approved by the collegiate bodies, can authorize any kind of transaction, operation, expense or investment.
12. **Training:** All members of the personnel must receive appropriate induction and training, and be informed of their responsibilities and authorities, and must have access to any necessary updated material containing the policies and procedures they are required to know for the proper fulfillment of their tasks. Training must include the promotion of control culture.
13. **Health Plan:**GFNorte must provide to its officers and employees the respective health plans to maintain their health and a healthy life, by leading internal information campaigns related to the prevention and prompt detection of diseases, as well as means of access to the care thereof.
14. **Aid in the event of a disaster:** Any employee of any of the companies of GFNorte who is affected by any natural disaster and/or adverse weather condition may be assisted in accordance with the strategy approved by GFNorte's Management. For the abovementioned aid to be provided, the natural disaster and/or adverse weather condition must have to be officially

recognized by the Civil Protection Office of any of the three government levels: municipal, state or federal.

- 15. Code of Conduct:** The members of the Board of Directors, as well as the personnel of GFNorte and any other external personnel providing services to the Group must follow and behave according to the provisions of the Code of Conduct.

B. Technological, telecommunications and IT infrastructure

1. Safety: The information, technological infrastructure and technology operation process systems must provide sufficient identification, authorization and protection mechanisms for a safe operation, both on the platforms and internal applications and on the information interfaces shared with correspondents and suppliers. All safety policies and procedures regarding information must be checked and adjusted from time to time.

2. Access profile control: The profiles of access to different information platforms, applications or interfaces must be aligned with the description of positions of the employees and officers, in order ensure that the proper permits are granted according to positions and functions, seeing that an appropriate separation of functions is respected at all times.

3. Completeness of information: Sufficient and reasonable safety and operation mechanisms must be implemented in order to prevent any unauthorized addition, modification or destruction of data, allowing an appropriate registration of transactions.

Measures to investigate, report and sanction any cases of alteration of information must be established. In the event of any electronic destruction, measures guaranteeing the safe and definitive deletion of information must be taken.

Regarding any destruction of data, techniques or procedures not damaging the environment must be used, trying to recycle the material without jeopardizing the confidentiality of the information. In case of any electronic destruction, measures guaranteeing the safe and definitive deletion of information must be used.

4. Maintenance: The computer and telecommunication equipment, as well as the systems and programs used to support the business operation, must have the necessary and sufficient maintenance and support services required for their appropriate operation.

5. Contingencies: The operation of the information systems must contemplate recovery plans that include information backups, redundancies in the operation of critical processes, and documented action plans to face any failures, emergencies

or disasters in accordance with the Business Continuity Plan and the Recovery Plan in Case of Disaster. The effectiveness of the recovery plans and procedures must be tested periodically.

6. Recording of Transactions: Information systems must keep an activity registry to have audit footprints allowing to verify any operations.

7. Development, installation and change of computer and communication systems and equipment: They must be carried out according to any policies and procedures preventing any safety, completeness and reliability risks for the information and availability of services in operation.

C. Material resources:

1. Efficient administration of assets: Any assets owned by GFNorte must be used for the purpose for which they were acquired. Those not being used must be sold, or donated for their use by and for the benefit of charitable institutions, or as part of any disaster victims support, in accordance with the policies to be established for said purpose. The fixed asset control policies to be defined must contemplate the responsibilities of their good use and preservation by the employees who administer them.

2. Investment: Any investment in fixed assets must conform to the strategies defined by its Board of Directors and subject to the limits fixed by the regulations.

3. Suppliers:

a. Reliability of suppliers: The conditions for every supplier to comply in due time and manner with any agreed commitments must be established and avoid, as far as possible, relying on a single material and/or technological resources supplier that may jeopardize the operation, continuity or efficiency of GFNorte. If this is not possible for any reason, there must be an alternative supply or operation plan to face a contingency.

b. Supplier selection: The criteria for the election of suppliers, such as technical capacity, reputation, prior experience with them, the amount of deliverables they offer, cost/benefit ratio, must be taken into consideration in the selection of suppliers, and even though price is an important factor, it is not decisive for purposes of selection. Under conditions of similarity of price and quality between two suppliers, preference must be given to the one recognized as a Socially Responsible Company and familiar with environmental protection measures.

c. Supplier contracting: Any contracting of suppliers must follow the provisions of the Manual for the Contracting of Suppliers of Goods or Services and any applicable internal regulations.

It shall be understood that the terms of any agreement, letter of agreement, commercial agreement, framework agreement, confidentiality agreement or any other document representing the rights and obligations for the Institution regarding the supply of goods or services, are synonymous with an agreement and, therefore, are subject to verification by the Legal, International Business and Marketing Executive Director's Office.

I. The Institution may contract with any third parties, including other national or foreign financial institutions or entities, the provision of any services necessary for its operation, as well as any commissions to execute the operations provided by Article 46 of the LIC, subject to the provisions of Chapter XI of the Single Circular Letter for Banks.

II. The contracting of Commission Agents shall be subject to the authorization of the National Banking and Securities Commission. Likewise, mechanisms for the selection and contracting, training and evaluation of the performance of the Commission Agent, as well as the verification of its business continuity plans must be implemented.

III. Any agreement with a supplier implying the management of an operation process and the management of databases must be submitted to authorization of the Audit and Corporate Practices Committee before its formalization, and the applicable provisions must be performed, it must also contain all necessary protection for the Institution, as well as the obligation of the supplier to inform the Institution regarding any safety measures concerning the information supplied to it and the measures to be taken in the event of a contingency, with the Institution keeping the right to request any audits necessary to verify compliance with the above.

IV. In the event of the contracting of a supplier managing external personnel and/or personnel at the facilities of GFNorte, it must be verified that its corporate purpose literally includes the "provision of specialized services". Additionally, the recommendations issued by the Human Capital Executive Director's Office, the Human Resources and Medical Administration Executive Director's Office, and the Legal, International Business and Marketing Executive Director's Office, must be included in the respective agreements and/or documents.

D. Information:

1. Accounting policies: Financial information must be prepared in accordance with the Financial Information Standards issued by the Mexican Board for the Investigation and Development of Financial Information Standards, as well as the provisions of the regulatory authorities and any international accounting guidelines, when applicable.

2. Internal Accounting control: The documentation of the processes directly bearing on financial information must be permanently updated, and periodic effectiveness tests of the controls included in the processes must be carried out. The subsidiaries of GFNorte which due to their regulation require the opinion of any external auditors on the subject, must have an area in charge of these functions.

3. Sole source: All financial and management information for the internal decisionmaking process, and that generated to comply with the regulations must be consistent with accounting. Financial, economic, legal and administrative information must reach the personnel according to their functions and authorities, and the collegiate bodies requiring it, and must contain the necessary elements for a correct decisionmaking process and conform to the applicable regulations.

4. Confidentiality: The financial, accounting, legal and administrative information generated by GFNorte is confidential and exclusively for its internal use, except for any information subject to disclosure in accordance with the applicable regulations. Measures must be established for the personnel and external suppliers who have access to confidential information to keep it confidential.

5. Banking and Trust Secret: Any banking, trust and stock exchange secret must be kept upon the terms of the applicable legal provisions.

6. Data protection: Any personal information owned by third parties, known to GFNorte due to its commercial relationships must be treated with the same care and under the same standards as any confidential information. Third-party information includes their personal information, that of their employees, their families, their references, as well as any financial and patrimonial information and, if any, sensitive information of the abovementioned persons.

The ARCO rights that the Law grants to the holders of personal information regarding access, rectification and cancelation of such personal information, as well as the objection to the use thereof, must be respected.

Likewise, it must be verified that in any crossed sales efforts of any offered products, no telephone calls are made to any clients and/or users registered in the Public User Registry (REUS), and to those who have exercised their right to oppose the treatment of their personal information.

7. Planning: The Annual Plan must consider, in addition to general action strategies, the internal and external macroeconomic factors, the competition environment in the system that may have an impact on the business, as well as the financial result expected from such strategies.

8. Regulatory information: The regulatory information and the information requirements of authorities must be delivered in due time and form.

9. Conciliations: A permanent conciliation process of the different application systems with accounting must be conducted. An analysis of significant variations in the different accounting records must be made in order to detect and correct possible errors on time.

10. Information Request by Directors: It is the Management's responsibility to answer any information request made by any Director through the Secretary of the Board of Directors.

11. Information on products and services: The information given to the public with respect to the products and services offered by the Institution must be sufficiently clear, complete, precise and timely, in order for clients to have all necessary elements to make the decision to contract the required product or service that meets their financial needs in compliance with the applicable regulations.

E. Risk management:

1. Risk identification, assessment and measurement: The risks inherent to the operation, including credit, market, liquidity, operation and reputational, must be assessed by the responsible collegiate bodies, measured by specialized areas that must have the appropriate tools for this function, and controlled by the responsible areas.

2. Limits: Operations must be executed respecting the risk limits established by the Board of Directors and the authorized bodies, taking into consideration those established by the current regulations.

3. Monitoring and information: Monitoring mechanisms of the various risks, as well as compliance with exposure limits must be respected in order to detect any deviation in due time, and take the corresponding corrective measures and inform the competent bodies.

4. Registry: Keep a centralized base for risk management and compliance with controls allowing to trace the risks from their identification to their mitigation and monitoring, centralizing the registration and monitoring of any corrective action plans derived from any reviews, audits, incidents, risks, among others.

F. Continuous improvement process:

1. Assessment: The status of the SCI must be assessed every year, both regarding its Objectives and Guidelines and its integral operation, and reports

must be submitted to the Audit and Corporate Practices Committee and the Board of Directors, including any material deviations. Likewise, the Code of Conduct must be annually revised and, if applicable, propose any modifications thereto, which must be submitted by the Audit and Corporate Practices Committee for approval of the Board of Directors.

2. Updating of the regulations: Any manuals derived from the incorporation of new products, services or processes must be documented or updated, as well as the improvements proposed by the responsible areas, of any observations of the Risks, Comptrollership, Internal Audit, External Audit areas and of the observations of the competent authorities.

3. Corporate governance: The functions, authorities and integration of the various decisionmaking collegiate bodies must be kept updated, evidencing the decisions they may make, ensuring the efficacy and efficiency of their activities.

4. Responsibility: The responsibility to keep internal control in line with the General Internal Control Objectives and Guidelines, and to monitor their effectiveness, corresponds to the directors managing the different processes, who must ensure that they have sufficient internal controls to mitigate any risks, documented processes, keeping appropriate accounting records, protecting the institutional assets from misuse, to see that the information used in the decisionmaking process is reliable, appropriate, precise and timely, and for its correct publication. Even though the foregoing allows to reasonably manage any risks of errors, losses or frauds, it cannot be guaranteed that the same will not occur.

5. Operations with related parties: In all operations among the companies of GFNorte, there shall be no conflicts of interest in order to execute them under the applicable market conditions and in compliance with all requirements and limits set forth in the regulations of each entity.

The operations with related parties or legal entities exceeding 5% of the assets of the Institution must be submitted to the Board of Directors for authorization.

6. Free loans, loans, or any type of credits or guarantees to related parties: Any kind of free loans, loans, or credits or guarantees to be granted to related parties, must be authorized by the Credit Committees of the Institution, always monitoring their compliance with the regulations.

G. Personnel Safety:

1. GFNorte provides a safe and healthy environment and takes effective steps to prevent any accidents or potential damage to the health of its

employees, minimizing, to the extent possible, any risks inherent to the work environment.

2. The Material Resources Director General's Office, together with the respective authorities, must conduct drills of any situation that may jeopardize the health and integrity of the personnel, so that such personnel knows what to do and how to react in the event of an emergency.

H. Compliance with external and internal regulations:

1. Compliance: Internal standards must comply with the regulatory provisions that may be applicable.

2. Tolerance levels: There are no tolerance levels for any risks implying failure to comply with the laws and deviation from these Internal Control General Guidelines.

3. Operations: Only the operations authorized by the authorized bodies and personnel must be executed.

4. Institutional Standards Portal:

a. The Institutional Standards Portal is the only source of consultation regarding the policies and procedures for GFNorte's operation.

b. Only authorized operations shall be incorporated to the Institutional Standards.

c. Any other information related to the same and not included in the portal shall not be considered official.

5. Issuance/Update: The Area Director is responsible for having the standards that rule the processes he/she manages and if he/she does not have them, he/she must request to the Regulation Comptrollership and Expenditures Director's Office or the Risk Policies Director's Office, the issuance or updating of such standards.

Standards must be permanently updated and made available to the personnel.

6. Prevention of Illegal Operations: An appropriate monitoring of operations made by the clients must be done in order to prevent any frauds, and also to prevent GFNorte from being used for money-laundering and terrorist financing purposes, assisting the competent authorities at all times in accordance with their responsibilities.

7. Verification and Monitoring: The Internal Audit areas and those areas carrying out any Internal Comptrollership functions must have unrestricted access to the various areas and information that may be necessary to monitor and verify compliance with standards.

8. Internal Control Report: The provisions of the regulations must be performed in due time and manner, in connection with the opinion on the appropriate performance of the SCI prepared by the external auditor.

I. Donations:

1. All donations must have the authorizations contemplated by the respective regulations and at no time they shall have as purpose any act of corruption, or be used for financing of or support to organizations or candidates to popular election positions representing a political party or acting independently.

J. Anticorruption:

1. GFNorte's Management must establish the necessary measures to prevent any acts of corruption in the conduction and performance of the business and operations of any of the Financial Entities members of GFNorte, and in the event that any act of corruption occurs, investigate and sanction it.

K. Economic competition:

1. The Management must adopt a series of measures to promote, protect and guarantee economic competition as well as to prevent and investigate, if applicable, any monopolistic practices, illegal concentrations and barriers to free competition, and also any restrictions to the efficient operation of the markets that may be derived from any decisions made or resolutions passed by any officers of GFNorte.

L. Accusations:

1. The Directors, Officers or Employees of GFNorte who directly or indirectly become aware of any irregular act, conflict of interest or failure to comply with the regulations that may constitute or involve a damage or harm to GFNorte, or result in any failure to comply with any principle of the Code of Conduct, must discreetly report it to the Comptrollership Assistant Director General's Office and/or the Audit Executive Director's Office, Banking and Affiliates Operations, or through any of the electronic channels established by the Institution.